



ANNUAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2005  
OF THE CONDITION AND AFFAIRS OF THE

OLD LYME INSURANCE COMPANY OF RHODE ISLAND, INC.

NAIC Group Code 0158, 0158 NAIC Company Code 19160 Employer's ID Number 13-3306163  
(Current Period) (Prior Period)

Organized under the Laws of Rhode Island, State of Domicile or Port of Entry Rhode Island

Country of Domicile US

Incorporated/Organized July 31, 1985 Commenced Business September 24, 1985

Statutory Home Office 175 Metro Center Boulevard - Suite 10, Warwick, Rhode Island 02886  
(Street and Number, City or Town, State and Zip Code)

Main Administrative Office 175 Metro Center Boulevard - Suite 10, Warwick, Rhode Island 02886 401-732-4684  
(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number)

Mail Address 175 Metro Center Boulevard - Suite 10, Warwick, Rhode Island 02886  
(Street and Number, City or Town, State and Zip Code)

Primary Location of Books and Records 175 Metro Center Boulevard - Suite 10, Warwick, Rhode Island 02886  
(Street and Number, City or Town, State and Zip Code)  
401-732-4684  
(Area Code) (Telephone Number)

Internet Website Address N/A

Statutory Statement Contact Brian Silvia 401-732-4684-7419  
(Name) (Area Code) (Telephone Number) (Extension)  
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(Street and Number, City or Town, State and Zip Code) (Area Code) (Telephone Number) (Extension)

OFFICERS

- 1. Michael Sluka# (CEO, Chairman of the Board & Treasurer)
- 2. Frank DeMaria (President, Chief Operating Officer)
- 3. John Parker (SVP, Secretary & General Counsel)

OTHER OFFICERS

Thomas Wilczek (Vice President)  
Tom Tran (Vice President)  
Sherryl Scott (Assistant Secretary)

DIRECTORS OR TRUSTEES

Bruce Guthart  
Michael Sluka  
John Parker  
Frank DeMaria  
Bradley Martin

State of New Hampshire }  
County of } SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Michael Sluka  
CEO, Chairman of the Board & Treasurer

Frank DeMaria  
President, Chief Operating Officer

John Parker  
SVP, Secretary, and General Counsel

a. Is this an original filing? Yes (X) No ( )

b. If no: 1. State the amendment number  
2. Date filed  
3. Number of pages attached

Subscribed and sworn to before me this day of February, 2006

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Column 1 minus Column 2)	4 Net Admitted Assets
1. Bonds (Schedule D) .....	20,233,928		20,233,928	38,450,927
2. Stocks (Schedule D):				
2.1 Preferred stocks .....	50,000		50,000	150,375
2.2 Common stocks .....				
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens .....				
3.2 Other than first liens .....				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....				
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....				
4.3 Properties held for sale (less \$ ..... encumbrances) .....				
5. Cash (\$ ..... 68,591 , Schedule E - Part 1) , cash equivalents (\$ ..... , Schedule E - Part 2) and short-term investments (\$ ..... 25,014,249 , Schedule DA) .....	25,082,840		25,082,840	44,228,805
6. Contract loans (including \$ ..... premium notes) .....				
7. Other invested assets (Schedule BA) .....				
8. Receivables for securities .....				
9. Aggregate write-ins for invested assets .....				
10. Subtotals, cash and invested assets (Line 1 through Line 9) .....	45,366,768		45,366,768	82,830,107
11. Title plants less \$ ..... charged off (for Title insurers only) .....				
12. Investment income due and accrued .....	389,109		389,109	464,711
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....				190,616
13.2 Deferred premiums , agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....				
13.3 Accrued retrospective premiums .....				
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....				573,815
14.2 Funds held by or deposited with reinsured companies .....	2,253,348		2,253,348	2,223,698
14.3 Other amounts receivable under reinsurance contracts .....				
15. Amounts receivable relating to uninsured plans .....				
16.1 Current federal and foreign income tax recoverable and interest thereon .....				
16.2 Net deferred tax asset .....				
17. Guaranty funds receivable or on deposit .....				
18. Electronic data processing equipment and software .....	18,776		18,776	50,637
19. Furniture and equipment , including health care delivery assets (\$ ..... ) .....				
20. Net adjustment in assets and liabilities due to foreign exchange rates .....				
21. Receivables from parent , subsidiaries and affiliates .....				
22. Health care (\$ ..... ) and other amounts receivable .....				
23. Aggregate write-ins for other than invested assets .....	16		16	500,016
24. Total assets excluding Separate Accounts , Segregated Accounts and Protected Cell Accounts (Line 10 to Line 23) .....	48,028,017		48,028,017	86,833,600
25. From Separate Accounts , Segregated Accounts and Protected Cell Accounts .....				
26. TOTALS (Line 24 and Line 25) .....	48,028,017		48,028,017	86,833,600
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....				
0999. Totals (Line 0901 through Line 0903 plus Line 0998) (Line 9 above) .....				
2301. Loss advance funds deposit .....				500,000
2302. Premium tax recoverable .....	16		16	16
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	16		16	500,016

LIABILITIES, SURPLUS AND OTHER FUNDS

	1 Current Year	2 Prior Year
1. Losses (Part 2A, Line 34, Column 8) .....		
2. Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Columnn 6) .....		
3. Loss adjustment expenses (Part 2A, Line 34, Column 9) .....		
4. Commissions payable, contingent commissions and other similar charges .....		
5. Other expenses (excluding taxes, licenses and fees) .....	57,068	233,100
6. Taxes, licenses and fees (excluding federal and foreign income taxes) .....	201,000	193,000
7.1 Current federal and foreign income taxes (including \$ ..... on realized capital gains (losses) ) .....	755,492	136,315
7.2 Net deferred tax liability .....		
8. Borrowed money \$ ..... and interest thereon \$ .....		
9. Unearned premiums (Part 1A, Line 37, Column 5) (after deducting unearned premiums for ceded reinsurance of \$ ..... and including warranty reserves of \$ ..... ) .....		
10. Advance premium .....		
11. Dividends declared and unpaid:		
11.1 Stockholders .....	100,000	50,000
11.2 Policyholders .....		
12. Ceded reinsurance premiums payable (net of ceding commissions) .....	3,558,676	45,088,669
13. Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19) .....		
14. Amounts withheld or retained by company for account of others .....		
15. Remittances and items not allocated .....		
16. Provision for reinsurance (Schedule F, Part 7) .....		480,000
17. Net adjustments in assets and liabilities due to foreign exchange rates .....		
18. Drafts outstanding .....		
19. Payable to parent, subsidiaries and affiliates .....	50,000	66,824
20. Payable for securities .....		
21. Liability for amounts held under uninsured accident and health plans .....		
22. Capital notes \$ ..... and interest thereon \$ .....		
23. Aggregate write-ins for liabilities .....	1,040,771	285,550
24. Total liabilities excluding protected cell liabilities (Line 1 through Line 23) .....	5,763,007	46,533,458
25. Protected cell liabilities .....		
26. Total liabilities (Line 24 and Line 25) .....	5,763,007	46,533,458
27. Aggregate write-ins for special surplus funds .....		
28. Common capital stock .....	2,900,000	2,900,000
29. Preferred capital stock .....	100,000	100,000
30. Aggregate write-ins for other than special surplus funds .....		
31. Surplus notes .....		
32. Gross paid in and contributed surplus .....	12,200,000	12,200,000
33. Unassigned funds (surplus) .....	27,065,010	25,100,142
34. Less treasury stock, at cost:		
34.1 ..... shares common (value included in Line 28 \$ ..... ) .....		
34.2 ..... shares preferred (value included in Line 29 \$ ..... ) .....		
35. Surplus as regards policyholders (Line 27 to Line 33, less Line 34) (Page 4, Line 39) .....	42,265,010	40,300,142
36. Totals (Page 2, Line 26, Column 3) .....	48,028,017	86,833,600
DETAILS OF WRITE-INS		
2301. Loss and loss expenses incourse of settlement .....	842,652	285,550
2302. Return premium incourse of settlement .....	198,119	
2303. ....		
2398. Summary of remaining write-ins for Line 23 from overflow page .....		
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above) .....	1,040,771	285,550
2701. ....		
2702. ....		
2703. ....		
2798. Summary of remaining write-ins for Line 27 from overflow page .....		
2799. Totals (Line 2701 through Line 2703 plus Line 2798) (Line 27 above) .....		
3001. ....		
3002. ....		
3003. ....		
3098. Summary of remaining write-ins for Line 30 from overflow page .....		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above) .....		

STATEMENT OF INCOME

UNDERWRITING INCOME		1	2
		Current Year	Prior Year
1.	Premiums earned (Part 1, Line 34, Column 4)		
DEDUCTIONS			
2.	Losses incurred (Part 2, Line 34, Column 7)		
3.	Loss expenses incurred (Part 3, Line 25, Column 1)		
4.	Other underwriting expenses incurred (Part 3, Line 25, Column 2)	252,872	324,584
5.	Aggregate write-ins for underwriting deductions		
6.	Total underwriting deductions (Line 2 through Line 5)	252,872	324,584
7.	Net income of protected cells		
8.	Net underwriting gain (loss) (Line 1 minus Line 6 plus Line 7)	(252,872)	(324,584)
INVESTMENT INCOME			
9.	Net investment income earned (Exhibit of Net Investment Income, Line 17)	1,475,688	765,963
10.	Net realized capital gains (losses) less capital gains tax of \$ (Exhibit of Capital Gains (Losses))	772,792	130,535
11.	Net investment gain (loss) (Line 9 plus Line 10)	2,248,480	896,498
OTHER INCOME			
12.	Net gain (loss) from agents' or premium balances charged off (amount recovered \$ ,amount charged off \$ )		
13.	Finance and service charges not included in premiums		
14.	Aggregate write-ins for miscellaneous income		
15.	Total other income (Line 12 through Line 14)		
16.	Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 8 plus Line 11 plus Line 15)	1,995,608	571,914
17.	Dividends to policyholders		
18.	Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	1,995,608	571,914
19.	Federal and foreign income taxes incurred	460,369	406,699
20.	Net income (Line 18 minus Line 19) (to Line 22)	1,535,239	165,215
CAPITAL AND SURPLUS ACCOUNT			
21.	Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)	40,300,142	38,573,552
GAINS AND (LOSSES) IN SURPLUS			
22.	Net income (from Line 20)	1,535,239	165,215
23.	Net transfers (to) from Protected Cell accounts		
24.	Change in net unrealized capital gains or (losses) less capital gains tax of \$	(371)	1,375
25.	Change in net unrealized foreign exchange capital gain (loss)		
26.	Change in net deferred income tax		
27.	Change in nonadmitted assets (Exhibit of Nonadmitted Assets, Line 26, Column 3)		
28.	Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)	480,000	4,560,000
29.	Change in surplus notes		
30.	Surplus (contributed to) withdrawn from protected cells		
31.	Cumulative effect of changes in accounting principles		
32.	Capital changes:		
32.1	Paid in		
32.2	Transferred from surplus (Stock Dividend)		
32.3	Transferred to surplus		
33.	Surplus adjustments:		
33.1	Paid in		
33.2	Transferred to capital (Stock Dividend)		
33.3	Transferred from capital		
34.	Net remittances from or (to) Home Office		
35.	Dividends to stockholders	(50,000)	(3,000,000)
36.	Change in treasury stock (Page 3, Line 34.1 and Line 34.2, Column 2 minus Column 1)		
37.	Aggregate write-ins for gains and losses in surplus		
38.	Change in surplus as regards policyholders for the year (Line 22 through Line 37)	1,964,868	1,726,590
39.	Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 35)	42,265,010	40,300,142
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598.	Summary of remaining write-ins for Line 5 from overflow page		
0599.	Totals (Line 0501 through Line 0503 plus Line 0598) (Line 5 above)		
1401.	Allocation of expenses related to merger of the parent company		
1402.			
1403.			
1498.	Summary of remaining write-ins for Line 14 from overflow page		
1499.	Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		
3701.			
3702.			
3703.			
3798.	Summary of remaining write-ins for Line 37 from overflow page		
3799.	Totals (Line 3701 through Line 3703 plus Line 3798) (Line 37 above)		

CASH FLOW

	1	2
	Current Year	Prior Year
Cash from Operations		
1. Premiums collected net of reinsurance	(41,339,373)	(9,917,595)
2. Net investment income	2,684,902	1,948,465
3. Miscellaneous income	(29,650)	(53,764)
4. Total (Line 1 through Line 3)	(38,684,121)	(8,022,894)
5. Benefit and loss related payments	(573,815)	(736,744)
6. Net transfers to Separate , Segregated Accounts and Protected Cell Accounts		
7. Commissions , expenses paid and aggregate write-ins for deductions	420,904	189,785
8. Dividends paid to policyholders		
9. Federal and foreign income taxes paid (recovered) \$ .net of tax on capital gains (losses)	(158,808)	(4,140,930)
10. Total (Line 5 through Line 9)	(311,719)	(4,687,889)
11. Net cash from operations (Line 4 minus Line 10)	(38,372,402)	(3,335,005)
Cash from Investments		
12. Proceeds from investments sold , matured or repaid:		
12.1 Bonds	33,768,531	45,968,615
12.2 Stocks	100,000	
12.3 Mortgage loans		
12.4 Real estate		
12.5 Other invested assets		
12.6 Net gains or (losses) on cash , cash equivalents and short-term investments		
12.7 Miscellaneous proceeds		
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	33,868,531	45,968,615
13. Cost of investments acquired (long-term only):		
13.1 Bonds	15,139,560	19,257,340
13.2 Stocks		
13.3 Mortgage loans		
13.4 Real estate		
13.5 Other invested assets		
13.6 Miscellaneous applications	772,792	305,211
13.7 Total investments acquired (Line 13.1 through Line 13.6)	15,912,352	19,562,551
14. Net increase (decrease) in contract loans and premium notes		
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	17,956,179	26,406,064
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes , capital notes		
16.2 Capital and paid in surplus , less treasury stock		
16.3 Borrowed funds		
16.4 Net deposits on deposit-type contracts and other insurance liabilities		
16.5 Dividends to stockholders		3,000,000
16.6 Other cash provided (applied)	1,270,258	(1,182,582)
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	1,270,258	(4,182,582)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash , cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(19,145,965)	18,888,477
19. Cash , cash equivalents and short-term investments:		
19.1 Beginning of period	44,228,805	25,340,328
19.2 End of year (Line 18 plus Line 19.1)	25,082,840	44,228,805
Note: Supplemental disclosures of cash flow information for non-cash transactions:		
20.0001		
20.0002		
20.0003		
20.0004		
20.0005		
20.0006		
20.0007		
20.0008		
20.0009		
20.0010		

**Page 6**

Underwriting and Investment Exhibit, Part 1

**NONE**

**Page 7**

Underwriting and Investment Exhibit, Part 1A

**NONE**

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B-PREMIUMS WRITTEN

Gross Premiums (Less Return Premiums) , Including Policy and Membership Fees  
Written and Renewed During Year

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1 + 2 + 3 - 4 - 5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire .....						
2. Allied lines .....						
3. Farmowners multiple peril .....						
4. Homeowners multiple peril .....						
5. Commercial multiple peril .....	(11,892)			(11,892)		
6. Mortgage guaranty .....						
8. Ocean marine .....						
9. Inland marine .....						
10. Financial guaranty .....						
11.1 Medical malpractice - occurrence .....						
11.2 Medical malpractice - claims-made .....						
12. Earthquake .....						
13. Group accident and health .....						
14. Credit accident and health (group and individual) .....						
15. Other accident and health .....						
16. Workers' compensation .....						
17.1 Other liability - occurrence .....						
17.2 Other liability - claims-made .....						
18.1 Products liability - occurrence .....						
18.2 Products liability - claims-made .....						
19.1, 19.2 Private passenger auto liability .....						
19.3, 19.4 Commercial auto liability .....						
21. Auto physical damage .....						
22. Aircraft (all perils) .....						
23. Fidelity .....						
24. Surety .....						
26. Burglary and theft .....						
27. Boiler and machinery .....						
28. Credit .....						
29. International .....						
30. Reinsurance - Nonproportional Assumed Property .....	X X X					
31. Reinsurance - Nonproportional Assumed Liability .....	X X X		260,000	260,000		
32. Reinsurance - Nonproportional Assumed Financial Lines .....	X X X					
33. Aggregate write-ins for other lines of business .....						
34. TOTALS .....	(11,892)		260,000	248,108		
DETAILS OF WRITE-INS						
3301. ....						
3302. ....						
3303. ....						
3398. Summary of remaining write-ins for Line 33 from overflow page .....						
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above) .....						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes ( ) No (X)  
If yes: 1. The amount of such installment premiums \$ .....  
2. Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$ .....

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5	6	7	8
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 plus 2 minus 3)	Net Losses Unpaid Current Year (Part 2A, Column 8)	Net Losses Unpaid Prior Year	Losses Incurred Current Year (Columns 4 plus 5 minus 6)	Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
1. Fire	65,045		65,045					
2. Allied lines								
3. Farmowners multiple peril								
4. Homeowners multiple peril								
5. Commercial multiple peril	142,911		142,911					
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine								
10. Financial guaranty								
11.1 Medical malpractice - occurrence								
11.2 Medical malpractice - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation								
17.1 Other liability - occurrence	104,623		104,623					
17.2 Other liability - claims-made								
18.1 Products liability - occurrence								
18.2 Products liability - claims-made								
19.1, 19.2 Private passenger auto liability								
19.3, 19.4 Commercial auto liability								
21. Auto physical damage								
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Reinsurance- Nonproportional Assumed Property	X X X							
31. Reinsurance- Nonproportional Assumed Liability	X X X	31,237,358	31,237,358					
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X							
33. Aggregate write-ins for other lines of business								
34. TOTALS	312,579	31,237,358	31,549,937					
DETAILS OF WRITE-INS								
3301.								
3302.								
3303.								
3398. Summary of remaining write-ins for Line 33 from overflow page								
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)								



UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1	2	3	4	5	6	7		
	Direct	Reinsurance Assumed	Deduct Reinsurance Recoverable from Authorized and Unauthorized Companies	Net Losses Excluding Incurred But Not Reported (Columns 1 plus 2 minus 3)	Direct	Reinsurance Assumed	Reinsurance Ceded	Net Losses Unpaid (Columns 4 plus 5 plus 6 minus 7)	Unpaid Loss Adjustment Expenses
1. Fire	15,160		15,160		174,741		174,741		
2. Allied lines									
3. Farmowners multiple peril									
4. Homeowners multiple peril									
5. Commercial multiple peril	31,651		31,651		176,643		176,643		
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical malpractice - occurrence									
11.2 Medical malpractice - claims-made									
12. Earthquake									
13. Group accident and health								(a)	
14. Credit accident and health (group and individual)								(a)	
15. Other accident and health									
16. Workers' compensation									
17.1 Other liability - occurrence	260,509		260,509		145,121		145,121		
17.2 Other liability - claims-made									
18.1 Products liability - occurrence									
18.2 Products liability - claims-made									
19.1, 19.2 Private passenger auto liability									
19.3, 19.4 Commercial auto liability									
21. Auto physical damage									
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Reinsurance- Nonproportional Assumed Property	X X X				X X X				
31. Reinsurance- Nonproportional Assumed Liability	X X X	10,385,341	10,385,341		X X X	15,160,849	15,160,849		
32. Reinsurance- Nonproportional Assumed Financial Lines	X X X				X X X				
33. Aggregate write-ins for other lines of business									
34. TOTALS	307,320	10,385,341	10,692,661		496,505	15,160,849	15,657,354		
DETAILS OF WRITE-INS									
3301.									
3302.									
3303.									
3398. Summary of remaining write-ins for Line 33 from overflow page									
3399. Totals (Line 3301 through Line 3303 plus Line 3398) (Line 33 above)									

(a) Including \$ for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1	2	3	4
	Loss Adjustment Expenses	Other Underwriting Expenses	Investment Expenses	Total
1. Claim adjustment services:				
1.1 Direct .....	61			61
1.2 Reinsurance assumed .....				
1.3 Reinsurance ceded .....	61			61
1.4 Net claim adjustment services (Line 1.1 plus Line 1.2 minus Line 1.3) .....				
2. Commission and brokerage:				
2.1 Direct excluding contingent .....		(4,163)		(4,163)
2.2 Reinsurance assumed excluding contingent .....		71,500		71,500
2.3 Reinsurance ceded excluding contingent .....		67,337		67,337
2.4 Contingent - direct .....				
2.5 Contingent - reinsurance assumed .....				
2.6 Contingent - reinsurance ceded .....				
2.7 Policy and membership fees .....				
2.8 Net commission and brokerage (Line 2.1 plus Line 2.2 minus Line 2.3 plus Line 2.4 plus Line 2.5 minus Line 2.6 plus Line 2.7) .....				
3. Allowances to manager and agents .....			155,000	155,000
4. Advertising .....				
5. Boards, bureaus and associations .....		28,516		28,516
6. Surveys and underwriting reports .....				
7. Audit of assureds' records .....				
8. Salary and related items:				
8.1 Salaries .....		29,315		29,315
8.2 Payroll taxes .....		2,342		2,342
9. Employee relations and welfare .....				
10. Insurance .....				
11. Directors' fees .....				
12. Travel and travel items .....				
13. Rent and rent items .....		16,968		16,968
14. Equipment .....				
15. Cost or depreciation of EDP equipment and software .....				
16. Printing and stationery .....		2,721		2,721
17. Postage, telephone and telegraph, exchange and express .....				
18. Legal and auditing .....		172,727		172,727
19. Totals (Line 3 through Line 18) .....		252,589	155,000	407,589
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$ .....				
20.2 Insurance department licenses and fees .....				
20.3 Gross guaranty association assessments .....				
20.4 All other (excluding federal and foreign income and real estate) .....		283		283
20.5 Total taxes, licenses and fees (Line 20.1 plus Line 20.2 plus Line 20.3 plus Line 20.4) .....		283		283
21. Real estate expenses .....				
22. Real estate taxes .....				
23. Reimbursements by uninsured accident and health plans .....				
24. Aggregate write-ins for miscellaneous expenses .....				
25. Total expenses incurred .....		252,872	155,000	(a) 407,872
26. Less unpaid expenses - current year .....		249,606	8,462	258,068
27. Add unpaid expenses - prior year .....		414,517	11,582	426,099
28. Amounts receivable relating to uninsured accident and health plans, prior year .....				
29. Amounts receivable relating to uninsured accident and health plans, current year .....				
30. TOTAL EXPENSES PAID (Line 25 minus Line 26 plus Line 27 minus Line 28 plus Line 29) .....		417,783	158,120	575,903
DETAILS OF WRITE-INS				
2401. ....				
2402. ....				
2403. ....				
2498. Summary of remaining write-ins for Line 24 from overflow page .....				
2499. Totals (Line 2401 through Line 2403 plus Line 2498) (Line 24 above) .....				

(a) Includes management fees of \$ ..... to affiliates and \$ ..... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1	2
		Collected During Year	Earned During Year
1.	U. S. Government bonds .....	(a) ..... 792,780	..... 832,706
1.1	Bonds exempt from U. S. tax .....	(a) ..... 405,287	..... 289,758
1.2	Other bonds (unaffiliated) .....	(a) .....	.....
1.3	Bonds of affiliates .....	(a) .....	.....
2.1	Preferred stocks (unaffiliated) .....	(b) ..... 1,808	..... 1,808
2.11	Preferred stocks of affiliates .....	(b) .....	.....
2.2	Common stocks (unaffiliated) .....	.....	.....
2.21	Common stocks of affiliates .....	.....	.....
3.	Mortgage loans .....	(c) .....	.....
4.	Real estate .....	(d) .....	.....
5.	Contract loans .....	.....	.....
6.	Cash, cash equivalents and short-term investments .....	(e) ..... 1,389,238	..... 1,389,238
7.	Derivative instruments .....	(f) .....	.....
8.	Other invested assets .....	.....	.....
9.	Aggregate write-ins for investment income .....	.....	.....
10.	Total gross investment income .....	..... 2,589,113	..... 2,513,510
11.	Investment expenses .....		(g) ..... 155,000
12.	Investment taxes, licenses and fees, excluding federal income taxes .....		(g) .....
13.	Interest expense .....		(h) ..... 850,961
14.	Depreciation on real estate and other invested assets .....		(i) ..... 31,861
15.	Aggregate write-ins for deductions from investment income .....		.....
16.	Totals deductions (Line 11 through Line 15) .....		..... 1,037,822
17.	Net investment income (Line 10 minus Line 16) .....		..... 1,475,688
DETAILS OF WRITE-INS			
0901.	.....		
0902.	.....		
0903.	.....		
0998.	Summary of remaining write-ins for Line 9 from overflow page .....		
0999.	Totals (Line 0901 through Line 0903 plus Line 0998 ) (Line 9 above) .....		
1501.	.....		
1502.	.....		
1503.	.....		
1598.	Summary of remaining write-ins for Line 15 from overflow page .....		
1599.	Totals (Line 1501 through Line 1503 plus Line 1598) (Line 15 above) .....		
(a) Includes \$ ..... 3,110	accrual of discount less \$ ..... 363,930	amortization of premium and less \$ ..... 207,732	paid for accrued interest on purchases.
(b) Includes \$ ..... accrual of discount less \$ .....	amortization of premium and less \$ ..... paid for accrued dividends on purchases.		
(c) Includes \$ ..... accrual of discount less \$ .....	amortization of premium and less \$ ..... paid for accrued interest on purchases.		
(d) Includes \$ ..... for company's occupancy of its own buildings; and excludes \$ .....	interest on encumbrances.		
(e) Includes \$ ..... accrual of discount less \$ .....	amortization of premium and less \$ ..... paid for accrued interest on purchases.		
(f) Includes \$ ..... accrual of discount less \$ .....	amortization of premium.		
(g) Includes \$ ..... investment expenses and \$ .....	investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.		
(h) Includes \$ ..... interest on surplus notes and \$ .....	interest on capital notes.		
(i) Includes \$ ..... depreciation on real estate and \$ ..... 31,861	depreciation on other invested assets.		

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1	2	3	4
	Realized Gain (Loss) on Sales or Maturity	Other Realized Adjustments	Increases (Decreases) by Adjustment	Total
1. U. S. Government bonds .....	..... 578,695			..... 578,695
1.1 Bonds exempt from U. S. tax .....	..... 194,097			..... 194,097
1.2 Other bonds (unaffiliated) .....				
1.3 Bonds of affiliates .....				
2.1 Preferred stocks (unaffiliated) .....				
2.11 Preferred stocks of affiliates .....				
2.2 Common stocks (unaffiliated) .....				
2.21 Common stocks of affiliates .....				
3. Mortgage loans .....				
4. Real estate .....				
5. Contract loans .....				
6. Cash, cash equivalents and short-term investments .....				
7. Derivative instruments .....				
8. Other invested assets .....				
9. Aggregate write-ins for capital gains (losses) .....				
10. Total capital gains (losses) .....	..... 772,792			..... 772,792
DETAILS OF WRITE-INS				
0901.	.....			
0902.	.....			
0903.	.....			
0998.	Summary of remaining write-ins for Line 9 from overflow page .....			
0999.	Totals (Line 0901 through Line 0903 plus Line 0998 ) (Line 9 above) .....			

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Exhibit 9, Analysis of Nonadmitted Assets and Related Items

**NONE**

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies.

A. Accounting Practices

The accompanying financial statements of the Company have been prepared on the basis of accounting practices prescribed or permitted by the Department of Business Regulations, Insurance Division of the State of Rhode Island. The Insurance Division of the State of Rhode Island requires insurance companies domiciled in the State of Rhode Island to prepare their statutory financial statements in accordance with the NAIC Accounting Practices and Procedures manuals. See note 2B for a description of the impact of these accounting changes.

B. Use of Estimates

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. It also requires estimates in the disclosures of contingent assets and liabilities. Actual results could differ from these estimates.

C. Accounting Policy.

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by daily pro rata methods for direct business and are based on reports received from ceding companies for reinsurance. Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

Net investment income earned consists primarily of interest less investment related expense. Interest is recognized on an accrual basis. Net realized capital gains (losses) are recognized on a specific identification basis when securities are sold, redeemed or otherwise disposed.

In addition, the Company uses the following accounting policies:

- (1) Short term investments are stated at amortized cost.
- (2) Bonds are valued at amortized cost (amortization of bonds is based on the straight line method).
- (3) The Company does not own any common stocks.
- (4) Preferred stocks are valued at market value per the Securities Valuation Office.
- (5) The Company has no mortgage loans.
- (6) The Company does not own loan backed bonds or structured securities.
- (7) The Company owns no stock in any subsidiaries.
- (8) The Company has no investments in joint ventures, partnerships or limited liability companies.
- (9) The Company has no derivatives.
- (10) The Company does not utilize anticipated investment income as a factor for the premium deficiency calculation.
- (11) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are based on assumptions and estimates, and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined. The Company does not provide coverage for Toxic Waste clean-up and Asbestos related illnesses.
- (12) The Company has not modified its capitalization policy from the prior period.

Note 2 - Accounting Changes and Corrections of Errors.

A. Accounting changes other than Codification and Corrections of Errors. Not applicable

B. Accounting changes as a result of Codification.

The Company prepares its statutory financial statements in conformity with Accounting Practices prescribed or permitted by the Department of Business Regulations, Insurance Division of the State of Rhode Island. Effective January 1, 2001, the State of Rhode Island required insurance companies domiciled in the State of Rhode Island to prepare their statutory financial statements in accordance with the NAIC Accounting Practices and Procedures manual - version effective January 1, 2001, subject to any deviations prescribed or permitted by the State of Rhode Island Insurance Commissioner.

Accounting changes adopted to conform with the provisions of the NAIC Accounting Practices and Procedures manual- version effective January 1, 2001 are reported as changes in accounting principles. The cumulative effect of changes in accounting principles is reported as an adjustment to unassigned funds in the period of the change in accounting principles. The cumulative effect is the difference between the amount of capital and surplus at the beginning of the year and the amount of capital and surplus that would have been reported at that date if the new accounting principles had been applied retrospectively for all prior periods. As a result of these changes, the Company reported a change of accounting principles from the adoption of codification that increased unassigned funds (surplus) by \$986,457 as of January 01, 2001. This surplus increase adjustment was related to deferred tax assets.

Note 3 - Business Combinations and Goodwill - None.

Note 4 - Discontinued operations

The Company's operations are in run off. The company will continue to pay claims properly due and owing and run-off the company in an orderly manner. The company plans on evaluating the possibility of commuting certain assumed reinsurance liability.

Note 5 - The Company has no mortgage loans, debt restructuring, reserve mortgages, loan-backed securities, repurchase agreements or investment in real estate.

Note 6 - The Company has no investments in joint ventures, partnerships or limited liability companies.

Note 7 - Investment Income

A. Accrued investment income: The Company's non-admitted investment income due and accrued if amounts are over 180 days past due days.

B. Amount Non-admitted - None.

Note 8 - Derivative Instruments - None.

Note 9 - Income Taxes.

A. The components of the net deferred tax asset/ (liability) at December 31 are as follows:

	2005	2004
(1) Total of all deferred tax assets (admitted and non-admitted)	\$ 105,000	\$ 105,131
(2) Total of all deferred Tax Liabilities	\$ 0	\$ 0
(3) Total deferred taxes assets non-admitted in accordance with SSAP No. 10	\$ 105,000	\$ 105,131
(4) Increase (decrease) in deferred tax assets non-admitted	\$ (131)	\$ 131

NOTES TO FINANCIAL STATEMENTS

B. Deferred tax liabilities are not recognized for the following amounts: - \$0

C. Current income taxes incurred consist of the following major components:

	<u>2005</u>	<u>2004</u>
Current Year expense	\$460,369	<u>\$406,699</u>
Current income taxes incurred	<u>\$460,369</u>	<u>\$406,699</u>

The main components of the 2005 deferred tax amounts are as follows:

DTAs	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
Reserves	0	0	0	0
Unearned premiums	0	0	0	0
Investments	0	0	0	0
Permanent impairment investment		300,000	(300,000)	<u>105,000</u>
Total DTAs				<u>105,000</u>
DTAs NonAdmitted				<u>105,000</u>

DTLs	<u>Statutory</u>	<u>Tax</u>	<u>Difference</u>	<u>Tax Effect</u>
Equity securities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total DTLs	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

The changes in main components of DTAs and DTLs are as follows:

DTAs	<u>12/31/2005</u>	<u>01/01/2005</u>	<u>Change</u>
Reserves	0	\$ 0	\$ 0
Unearned premiums	0	0	0
Equity Securities	<u>105,000</u>	<u>105,131</u>	<u>(131)</u>
Total DTAs	<u>105,000</u>	<u>105,131</u>	<u>(131)</u>
DTAs non-admitted	<u>105,000</u>	<u>105,131</u>	<u>(131)</u>

D. Among the more significant book to tax adjustments were the following:

	<u>Amount</u>	<u>Tax Effect at 23%</u>
Income before taxes	\$ 1,995,607	\$ 698,462
Book over tax reserves prior year	(453,734)	(158,807)
Tax exempt interest, net of proration	<u>(226,533)</u>	<u>(79,286)</u>
Taxable income	<u>1,315,340</u>	<u>460,369</u>

E. (1) At December 31, 2005, the Company had no operating loss carryforwards.

(2) The following income taxes incurred in the current and prior years that will be available for the recoupment in the event of future losses:

2005	\$ 460,369
2004	\$ 406,699
2003	(\$ 712,692)

F. (1)The Company [is included in a consolidated federal income tax return with its parent company, Fairfax Inc.](#) The following is a complete list of entities with whom the Company’s Federal Income Tax Return is consolidated for the current year.

Entity	State of Domestication	FEIN	Entity	State of Domestication	FI
FAIRFAX INC.	Wyoming	83-0306126	Odyssey Re Holdings Corporation	Delaware	52-2301683
Fairfax Information Technology Services, Inc.	Delaware	52-2010021	Odyssey America Reinsurance Corp.	Connecticut	47-0698507
Fairmont Specialty Insurance Company	Delaware	74-1280541	Odyssey U.K. Holdings Corporation	Delaware	75-2685494
Fairmont Specialty Insurance Managers, Inc.	Texas	74-1385078	Hudson Insurance Company	Delaware	13-5150451
Fairmont Specialty Insurance Finance Company	Texas	76-0247309	Odyssey Holdings Latin America, Inc.	Delaware	75-2741663
Fairmont Specialty Managers Corp.	Texas	76-0247311	Odyssey Latin America, Inc.	Delaware	75-2741665
Fairmont Specialty Lloyds Insurance Co.	Texas	74-6090673	Hudson Specialty Insurance Company	New York	75-1637737
Fairmont Specialty Corporation	Delaware	48-1308310	Clearwater Select Insurance Company	Delaware	23-2745904
Fairmont Premier Insurance Company	California	94-0781581	Clearwater Insurance Corporation	Delaware	13-2781282
Fairmont Insurance Company	California	94-1737938	TIG HOLDINGS, INC.	Delaware	94-3172455
CRUM & FORSTER HOLDING INC.	Delaware	22-3258258	TIG Holdings 1, Inc.	Delaware	75-2585402
United States Fire Insurance Company	Delaware	13-5459190	TIG Holdings 2, Inc.	Delaware	75-2585404
The North River Insurance Company	New Jersey	22-1964135	TIG Insurance Group	Delaware	95-3580308
Crum & Forster Holdings Corp.	Delaware	04-3611900	TIG Insurance Company	California	94-1517098
Seneca Insurance Company, Inc.	New York	13-2941133	TIG Holdings 4, Inc.	Delaware	75-2681633
Seneca Risk Services, Inc.	Delaware	61-1319316	TIG Indemnity Company	California	95-1429618
Seneca Specialty Insurance Company	Arizona	86-0902879	TIG Specialty Insurance Company	California	94-1264187
Crum and Forster Insurance Company	New Jersey	22-2464174	TIG Bermuda Ltd.	Bermuda	75-2585427
Crum & Forster Indemnity Company	Delaware	22-2868548	Ranger Insurance Services	Texas	76-0627388
Crum & Forster Specialty Insurance Company	Arizona	13-3545069	Guild Underwriters Napa, Inc.	Delaware	20-0350403
Excelsior Claims Administrators, Inc.	New York	13-3967338	SRONapa Risk Services, Inc.	California	20-2788585
RIVERSTONE GROUP LLC	Delaware	02-0511579	Guild Napa Insurance Services, Inc.	California	20-0128850
RiverStone Reinsurance Services LLC	Delaware	75-2869980	Guild Insurance Agency, Inc.	Ohio	20-1391488
RiverStone Claims Management LLC	Delaware	75-2869975	Old Lyme Insurance Company of Rhode Island, Inc.	Rhode Island	13-3306163
RiverStone Resources LLC	Delaware	02-0511580			
ORH Holdings, Inc.	Delaware	75-2869978			

(2) The method of allocation between the companies is subject to a written agreement. Tax payments are made to, or refunds received from, Fairfax Inc. in amounts which would result from filing separate tax returns with federal taxing authorities.

Note 10 - Information Concerning Parent, Subsidiaries and Affiliates.

- A. The Company didn't pay neither common stock dividend nor preferred stock dividend in 2005.
- B. The Company paid approximately \$75,000 for investments administration to Fairfax Inc. and \$75,000 to Hamblin Watsa Counsel Ltd., an affiliate, for investment services in 2005.
- C. The Company received \$500,000 as a return of an escrow deposit account with Claims Administration Corp. in 2005.

NOTES TO FINANCIAL STATEMENTS

- D. There are no material changes in the existing management fee arrangements. The Company incurred expenses related to management fees as follows: \$560,000 to Hub International Group Northeast Inc. and \$86,000 to RiverStone Resources LLC. The Company received 100% reimbursement of these expenses from an affiliated company, nSpire Reinsurance Company.
- E. The Company received \$4,000 in commission returns from Program Brokerage Corp. in 2005.
- F. At December 31, 2005 the Company reported approximately \$50,000 as amounts due to the affiliates. Inter-company balances are required to settle within 90 days.
- G. Guarantees or Contingencies for related parties. None
- H.The Company sublet office space from Program Brokerage Corp. for which it paid rent of approximate \$17,000 in 2005. The Company has an agreement with another affiliate, Claims Administration Corp. ("CAC"), pursuant to which CAC provides claims services to the Company in return for fees.
- I. All outstanding shares of the Company are owned by the parent, TIG Insurance Company.
- J. Amount deducted for Investment in upstream Company - None.
- K. Detail of Investments in affiliates greater than 10% of admitted assets - None.
- L. The Company did not recognize any impairment write down for its investments in Subsidiary, Controlled or Affiliated Companies during the statement period.
- M. The Company has a service contract with another affiliate company, MFXchange (Ireland) Limited ("MFX"). Pursuant to the agreement MFX will provide services and support for the Company's general ledger accounting system. The Company paid MFX \$13,000 for such services in 2005.
- N. The Company has two reinsurance contracts with its affiliated company nSpire Re Limited. The Company ceded \$248,000 of its net written premium and \$50,000 of commission expenses related to a 100% quota share contract with nSpire during 2005.

Note 11 - Debt.  
A. Capital Notes - None  
B. All other debt - None.

Note 12 - Deferred Compensation, Retirement, and other Post retirement Benefit Plans - None.  
Employees of the Company can participate in plans offered by Hub International Limited.

Note 13 - Capital & Surplus & Shareholders' & Policyholders' Dividend Restrictions

A. The Company has 10,000,000 common shares authorized, 200,000 shares issued and outstanding.

B. The Company has 100,000 preferred shares authorized, issued and outstanding. The Company pays a 5% dividend to the preferred shareholder.

C. Without prior approval of its domiciliary commissioner, dividends to shareholders are limited by RI law to the lesser of 100% of prior year net income excluding realized capital gains or 10% of total surplus as regards policyholders. The maximum dividend pay out which may be made without prior approval from the Rhode Island Insurance Commissioner for 2005 is \$1,033,000.

D. Within the limitations of (C) above, there are no restrictions placed on the portion of Company profits that may be paid as ordinary dividends to stockholders.

E. There was no restrictions placed on the Company's surplus.

F. The total amount of advances to surplus - None.

G.. There was no amount held by the Company for special purposes.

H. Changes in balances of special surplus funds from the prior year - None.

I. The portion of unassigned funds (surplus) represented or reduced by each item below is as follows:

a. unrealized gains and losses:	(\$371)
b. non-admitted asset values	0
c. provision for reinsurance	<u>0</u>
Total increase	<u>(\$371)</u>

J. The Company has no surplus debentures or similar obligations.

K. No quasi-reorganizations.

Note 14 - Contingent Liabilities - None.

Note 15 - Leases  
a) The Company entered the final year of a 3 year operating rental lease agreement with Program Brokerage Corp; the annual rent is \$17,000.  
b) The Company has no other leases.

Note 16 - The Company has no Financial Instruments with Off-Balance Sheet Risks.

Note 17 - Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities - None.

Note 18 - Gain or Loss to Reporting Entity from Uninsured A&H Plans and Uninsured Portion of Partially Insured Plans - None.

Note 19 - Direct Premium/Written by Managing General Agents/Third Party Administrators.

Name and Address of Managing General Agent of Third Party Administer	FEIN Number	Exclusive Contract	Types of Business Written	Types of Authority Granted	Total Direct Premiums Written/ Produced By
Claims Administration Corp. 13-3724354		No	None	C and CA	\$ 0
Total					<u>\$ 0</u>
C - Claims Payment,, CA - Claims Adjustment					

NOTES TO FINANCIAL STATEMENTS

Note 20 - September 11 Events.

Loss and Loss expenses incurred total approximately \$2.3 million primarily from property coverage. All losses have been settled and closed as of December 31, 2004.

Note 21 - Other Items.

- A. Extraordinary Items- None.
- B. Troubled Debt Restructuring - None.
- C. Other Disclosures: Assets with the fair market value of \$37,928,000 and \$66,986,000 at December 31, 2005 and 2004, respectively, were deposited with insurers or in trust funds to satisfy reinsurance requirements by the reinsurers.
- D. Uncollectible accounts receivable of others - None.

Note 22 - Events Subsequent: None

Note 23 - Reinsurance

A. Unsecured Reinsurance Recoverables.

FI# 13-5616275 NAIC#19453 Transatlantic Reinsurance Co.- recoverable \$1,518,000.

B. Reinsurance Recoverable in Dispute - None

C. Reinsurance Assumed and Ceded.

(1)	Assumed		Ceded		Net	
	<u>Reinsured</u>		<u>Reinsurance</u>			
	(1)	(2)	(3)	(4)	(5)	(6)
	<u>Premiums</u>	<u>Commission</u>	<u>Premium</u>	<u>Commission</u>	<u>Premium</u>	<u>Commission</u>
	<u>Reserves</u>	<u>Equity</u>	<u>Reserve</u>	<u>Equity</u>	<u>Reserve</u>	<u>Equity</u>
a. Affiliates	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
b. All Other	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
c. TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

d. Direct unearned premium reserves \$0

(2) There are no additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement.

- D. Uncollectible Reinsurance - None..
- E. Commutation of Ceded Reinsurance - During 2005 the Company entered into a commutation agreement with CXRe whereby the Company received a payment in exchange for a full release of current and future liabilities under all ceded reinsurance contracts.
- F. Retroactive Reinsurance - None.
- G. Rensurance Accounted for as a deposit - None.

Note 24 - Retrospectively Rated Contracts.

- (A) Accrued Retrospective Premiums - None.
- (B) There was no premium written relating to retrospectively rated contracts.

Note 25 - Change in Incurred Losses and Loss Adjustment Expenses.

Reserves for incurred losses and loss adjustment expenses attributable to insured events of prior years has decreased by \$7 million in 2005 as a result of the commutation agreements.

Note 26 - Intercompany Pooling Arrangements - None.

Note 27 - Structured Settlements - None.

Note 28 - Health Care Receivables - None.

Note 29 - Participating Policies - None.

Note 30 - Premium Deficiency Reserves - None.

Note 31 - High Deductibles - None.

Note 32 - Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses - None.

Note 33 - Asbestos/Environmental (Mass Tort) Reserves - None.

Note 34 - Subscriber Savings Accounts - None.

Note 35 - Multiple Peril Crop Insurance - None.



SUMMARY INVESTMENT SCHEDULE

Investment Categories	Gross Investment Holdings		Admitted Assets as Reported in the Annual Statement	
	1 Amount	2 Percentage	3 Amount	4 Percentage
1. Bonds:				
1.1 U.S. treasury securities .....	16,084,656	35.455	16,084,656	35.455
1.2 U.S. government agency obligations (excluding mortgage-backed securities):				
1.21 Issued by U.S. government agencies .....				
1.22 Issued by U.S. government sponsored agencies .....				
1.3 Foreign government (including Canada, excluding mortgage-backed securities) .....				
1.4 Securities issued by states, territories, and possessions and political subdivisions in the U.S.:				
1.41 States, territories and possessions general obligations .....	4,149,272	9.146	4,149,272	9.146
1.42 Political subdivisions of states, territories and possessions and political subdivisions general obligations .....				
1.43 Revenue and assessment obligations .....				
1.44 Industrial development and similar obligations .....				
1.5 Mortgage-backed securities (includes residential and commercial MBS):				
1.51 Pass-through securities:				
1.511 Issued or guaranteed by GNMA .....				
1.512 Issued or guaranteed by FNMA and FHLMC .....				
1.513 All other .....				
1.52 CMOs and REMICs:				
1.521 Issued or guaranteed by GNMA, FNMA, FHLMC or VA .....				
1.522 Issued by non-U.S. Government issuers and collateralized by mortgage-backed securities issued or guaranteed by agencies shown in Line 1.521 .....				
1.523 All other .....				
2. Other debt and other fixed income securities (excluding short term):				
2.1 Unaffiliated domestic securities (includes credit tenant loans rated by the SVO) .....				
2.2 Unaffiliated foreign securities .....				
2.3 Affiliated securities .....				
3. Equity interests:				
3.1 Investments in mutual funds .....				
3.2 Preferred stocks:				
3.21 Affiliated .....				
3.22 Unaffiliated .....	50,000	0.110	50,000	0.110
3.3 Publicly traded equity securities (excluding preferred stocks):				
3.31 Affiliated .....				
3.32 Unaffiliated .....				
3.4 Other equity securities:				
3.41 Affiliated .....				
3.42 Unaffiliated .....				
3.5 Other equity interests including tangible personal property under lease:				
3.51 Affiliated .....				
3.52 Unaffiliated .....				
4. Mortgage loans:				
4.1 Construction and land development .....				
4.2 Agricultural .....				
4.3 Single family residential properties .....				
4.4 Multifamily residential properties .....				
4.5 Commercial loans .....				
4.6 Mezzanine real estate loans .....				
5. Real estate investments:				
5.1 Property occupied by company .....				
5.2 Property held for production of income (including \$ ..... of property acquired in satisfaction of debt) .....				
5.3 Property held for sale (including \$ ..... property acquired in satisfaction of debt) .....				
6. Contract loans .....				
7. Receivables for securities .....				
8. Cash, cash equivalents and short-term investments .....	25,082,840	55.289	25,082,840	55.289
9. Other invested assets .....				
10. Total invested assets .....	45,366,768	100.000	45,366,768	100.000

GENERAL INTERROGATORIES  
PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes (X) No ( )
- 1.2

If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner , Director or Superintendent , or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes (X) No ( ) N/A ( )
- 1.3

State Regulating?

Rhode Island
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ( ) No (X)
- 2.2

If yes, date of change:  
If not previously filed, furnish herewith a certified copy of the instrument as amended.

.....
- 3.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2001
- 3.2

State the as of date of the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2001
- 3.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date) .

06/04/2003
- 3.4

By what department or departments?  
Rhode Island Insurance Division
- 4.1

During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.11

sales of new business?

Yes ( ) No (X)
- 4.12

renewals?

Yes ( ) No (X)
- 4.2

During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
- 4.21

sales of new business?

Yes ( ) No (X)
- 4.22

renewals?

Yes ( ) No (X)
- 5.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ( ) No (X)
- 5.2

If yes, provide name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....	.....	.....
.....	.....	.....
.....	.....	.....

- 6.1

Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? (You need not report an action, either formal or informal, if a confidentiality clause is part of the agreement.)

Yes ( ) No (X)
- 6.2

If yes, give full information:

.....  
.....
- 7.1

Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes (X) No ( )
- 7.2

If yes,

7.21

State the percentage of foreign control;

7.22

State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g. individual, corporation, government, manager or attorney-in-fact) .

..... 100.0 %

1 Nationality	2 Type of Entity
Canada	Corporation
.....	.....
.....	.....

GENERAL INTERROGATORIES

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ( ) No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ( ) No (X)
- 8.4

If response to 8.3 is yes, please provide the names and location (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

<div>1</div> <div>Affiliate Name</div>	<div>2</div> <div>Location (City, State)</div>	<div>3</div> <div>FRB</div>	<div>4</div> <div>OCC</div>	<div>5</div> <div>OTS</div>	<div>6</div> <div>FDIC</div>	<div>7</div> <div>SEC</div>
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>
<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>	<div></div>

9.

What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

PriceWaterHouseCooper LLP  
1177 Avenue of the America, NY, NY. 10068
10.

What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with a(n) actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Milliman USA  
1 Pennsylvania Plaza, NY, NY. 10058
- 11.1

Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly?

Yes ( ) No (X)

11.11

Name of real estate holding company

11.12

Number of parcels involved

11.13

Total book/adjusted carrying value

\$

11.2

If yes, provide explanation

12.

FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

12.1

What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

12.2

Does this statement contain all business transacted for the reporting entity through its United States branch on risks wherever located?

Yes ( ) No ( )

12.3

Have there been any changes made to any of the trust indentures during the year?

Yes ( ) No ( )

12.4

If answer to (12.3) is yes, has the domiciliary or entry state approved the changes?

Yes ( ) No ( ) N/A (X)
- BOARD OF DIRECTORS
13.

Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof?

Yes (X) No ( )

14.

Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof?

Yes (X) No ( )

15.

Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees, or responsible employees that is in conflict or is likely to conflict with the official duties of such person?

Yes (X) No ( )
- FINANCIAL
- 16.1

Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

16.11

To directors or other officers

\$

16.12

To stockholders not officers

\$

16.13

Trustees, supreme or grand (Fraternal only)

\$

16.2

Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

16.21

To directors or other officers

\$

16.22

To stockholders not officers

\$

16.23

Trustees, supreme or grand (Fraternal only)

\$

17.1

Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement?

Yes ( ) No (X)

17.2

If yes, state the amount thereof at December 31 of the current year:

17.21

Rented from others

\$

17.22

Borrowed from others

\$

17.23

Leased from others

\$

17.24

Other

\$

Disclose in Notes to Financial Statements the nature of each obligation.

18.1

Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments?

Yes ( ) No (X)

18.2

If answer is yes:

18.21

Amount paid as losses or risk adjustment

\$

18.22

Amount paid as expenses

\$

18.23

Other amounts paid

\$

19.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes ( ) No (X)

19.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$

16.1

GENERAL INTERROGATORIES

INVESTMENT

20.1

Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date, except as shown by Schedule E - Part 3 - Special Deposits?

Yes (X) No ( )

20.2

If no, give full and complete information relating thereto:  
.....  
.....

21.1

Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, except as shown on the Schedule E - Part 3 - Special Deposits, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 17.1)

Yes ( ) No (X)

21.2

If yes, state the amount thereof at December 31 of the current year:

21.21

Loaned to others

\$ .....

21.22

Subject to repurchase agreements

\$ .....

21.23

Subject to reverse repurchase agreements

\$ .....

21.24

Subject to dollar repurchase agreements

\$ .....

21.25

Subject to reverse dollar repurchase agreements

\$ .....

21.26

Pledged as collateral

\$ .....

21.27

Placed under option agreements

\$ .....

21.28

Letter stock or securities restricted as to sale

\$ .....

21.29

Other

\$ .....

21.3

For category (22.28) provide the following:

1 Nature of Restriction	2 Description	3 Amount
.....	.....	.....
.....	.....	.....
.....	.....	.....

22.1

Does the reporting entity have any hedging transactions reported on Schedule DB?

Yes ( ) No (X)

22.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?  
If no, attach a description with this statement.

Yes ( ) No ( ) N/A (X)

23.1

Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity?

Yes ( ) No (X)

23.2

If yes, state the amount thereof at December 31 of the current year.

\$ .....

GENERAL INTERROGATORIES

INVESTMENT

24. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1-General, Section IV.H-Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes (X) No ( )

24.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<sup>1</sup> Name of Custodian (s)	<sup>2</sup> Custodian's Address
Bank of New York .....	One Wall Street, NY, NY. 10018 .....
US Bank .....	225 Asylum Street 23 Fl. Hartford, Conn. 06103 .....
.....	.....

24.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<sup>1</sup> Name(s)	<sup>2</sup> Location(s)	<sup>3</sup> Complete Explanation(s)
.....	.....	.....
.....	.....	.....
.....	.....	.....

24.03 Have there been any changes, including name changes, in the custodian(s) identified in 24.01 during the current year? Yes ( ) No (X)

24.04 If yes, give full and complete information relating thereto:

<sup>1</sup> Old Custodian	<sup>2</sup> New Custodian	<sup>3</sup> Date of Change	<sup>4</sup> Reason
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

24.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<sup>1</sup> Central Registration Depository Number (s)	<sup>2</sup> Name	<sup>3</sup> Address
.....	Hamblin Watsa Investment.....	95 Wellington St. West St 802 Toronto , On M5J 2N7.....
.....	.....	.....
.....	.....	.....

25.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b) (1)])? Yes ( ) No (X)

25.2 If yes, complete the following schedule:

<sup>1</sup> CUSIP#	<sup>2</sup> Name of Mutual Fund	<sup>3</sup> Book/Adjusted Carrying Value
.....	.....	.....
.....	.....	.....
.....	.....	.....
Line 25.2998 from Overflow page .....	.....	.....
Line 25.2999 TOTAL (9999999) .....	.....	.....

25.3 For each mutual fund listed in the table above, complete the following schedule:

<sup>1</sup> Name of Mutual Fund (from above table)	<sup>2</sup> Name of Significant Holding of the Mutual Fund	<sup>3</sup> Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	<sup>4</sup> Date of Valuation
.....	.....	.....	.....
.....	.....	.....	.....
.....	.....	.....	.....

GENERAL INTERROGATORIES

26. Provide the following information for all short-term and long-term bonds and all preferred stocks . Do not substitute amortized value of statement value for fair value.

	1  Statement (Admitted) Value	2  Fair Value	3 Excess of Statement over Fair Value (-) , or Fair Value over Statement (+)
26.1 Bonds .....	\$ ..... 20,233,928	\$ ..... 19,761,174	\$ ..... (472,754)
26.2 Preferred stocks .....	\$ ..... 50,000	\$ ..... 50,000	\$ .....
26.3 Totals .....	\$ ..... 20,283,928	\$ ..... 19,811,174	\$ ..... (472,754)

26.4 Describe the sources or methods utilized in determining the fair values:  
The Company uses SVO to determine its market value for bonds.  
.....

27.1 Have all the filing requirements of the Purposes and Procedures manual of the NAIC Securities Valuation Office been followed? Yes (X) No ( )

27.2 If no, list exceptions:  
.....  
.....

OTHER

28.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? \$.....

28.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

29.1 Amount of payments for legal expenses, if any? \$ .....

29.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

30.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? \$ .....

30.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies officers or department of government during the period covered by this statement.

1 Name	2 Amount Paid
.....	\$ .....
.....	\$ .....
.....	\$ .....
.....	\$ .....

GENERAL INTERROGATORIES - Lines 24.01 (continued)

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian's Address</div>
--	---

Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook  
Bankof New York ..... One Wall Street, NY, NY 10018 .....  
US Bank ..... 225 Asylum Street 23 Fl. Hartford, Conn. 06103 .....  
24.01 - Agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook .....

GENERAL INTERROGATORIES - Lines 24.02 (continued)

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>3</div> <div>Complete Explanation(s)</div>
---------------------------------	-------------------------------------	---

24.02 - Agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook .....

GENERAL INTERROGATORIES - Lines 24.04 (continued)

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
---------------------------------------	---------------------------------------	--	--------------------------------

24.04 - Changes, including name changes, in the custodian(s) identified in 24.01 during the current year .....

GENERAL INTERROGATORIES - Lines 24.05 (continued)

<div>1</div> <div>Central Registration Depository Number(s)</div>	<div>2</div> <div>Name</div>	<div>3</div> <div>Address</div>
---	------------------------------	---------------------------------

Investment advisors, broker/dealers or individuals that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity  
..... Hamblin Watsa Investment Counsel Ltd. .... 95 Wellington Street West Suite 802 . Toronto, ON M5J 2N7 .....  
24.05 - Investment advisors, broker/dealers or individuals that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity .....

GENERAL INTERROGATORIES - Lines 25.2 (continued)

<div>1</div> <div>CUSIP Number</div>	<div>2</div> <div>Name of Mutual Fund</div>	<div>3</div> <div>Book/Adjusted Carrying Value</div>
--------------------------------------	---	--

GENERAL INTERROGATORIES - Lines 25.3 (continued)

<div>1</div> <div>Name of Mutual Fund (from question 24.2)</div>	<div>2</div> <div>Name of Significant Holding of the Mutual Fund</div>	<div>3</div> <div>Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding</div>	<div>4</div> <div>Date of Valuation</div>
--	--	--	---

25.3 - To be completed for each mutual fund listed in question 25.2 .....

GENERAL INTERROGATORIES  
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

1.1

Does the reporting entity have any direct Medicare Supplement Insurance in force?

Yes ( ) No (X)

1.2

If yes, indicate premium earned on U.S. business only.

\$ .....

1.3

What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?

\$ .....

1.31

Reason for excluding:

.....  
.....

1.4

Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Line (1.2) above.

\$ .....

1.5

Indicate total incurred claims on all Medicare Supplement insurance.

\$ .....

1.6

Individual policies:

Most current three years:

1.61

Total premium earned

\$ .....

1.62

Total incurred claims

\$ .....

1.63

Number of covered lives

.....

All years prior to most current three years:

1.64

Total premium earned

\$ .....

1.65

Total incurred claims

\$ .....

1.66

Number of covered lives

.....

1.7

Group policies:

Most current three years:

1.71

Total premium earned

\$ .....

1.72

Total incurred claims

\$ .....

1.73

Number of covered lives

.....

All years prior to most current three years:

1.74

Total premium earned

\$ .....

1.75

Total incurred claims

\$ .....

1.76

Number of covered lives

.....

2. Health Test:

1

Current Year

2

Prior Year

2.1

Premium Numerator

\$ .....

\$ .....

2.2

Premium Denominator

\$ .....

\$ .....

2.3

Premium Ratio (Line 2.1/Line 2.2)

.....

.....

2.4

Reserve Numerator

\$ .....

\$ .....

2.5

Reserve Denominator

\$ .....

\$ .....

2.6

Reserve Ratio (Line 2.4/Line 2.5)

.....

.....

3.1

Does the reporting entity issue both participating and non-participating policies?

Yes ( ) No (X)

3.2

If yes, state the amount of calendar year premiums written on:

3.21

Participating

\$ .....

3.22

Non-participating policies

\$ .....

4.

For Mutual Reporting Entities and Reciprocal Exchange only:

4.1

Does the reporting entity issue assessable policies?

Yes ( ) No ( )

4.2

Does the reporting entity issue non-assessable policies?

Yes ( ) No ( )

4.3

If assessable policies are issued, what is the extent of the contingent liability of the policyholders?

..... %

4.4

Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.

\$ .....

5.

For Reciprocal Exchanges only:

5.1

Does the exchange appoint local agents?

Yes ( ) No ( )

5.2

If yes, is the commission paid:

5.21

Out of Attorney's-in-fact compensation

Yes ( ) No ( ) N/A (X)

5.22

As a direct expense of the exchange

Yes ( ) No ( ) N/A (X)

5.3

What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?

.....  
.....

5.4

Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions, been deferred?

Yes ( ) No ( )

5.5

If yes, give full information.

.....  
.....

17



GENERAL INTERROGATORIES  
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

6.1

What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss?

The Company does not issue workers' compensation coverage.

6.2

Describe the method used to estimate this reporting entity's probable maximum insurance loss , and identify the type of insured exposures comprising that probable maximum loss , the locations of concentrations of those exposures and the external resources ( such as consulting firms or computer software models ) , if any , used in the estimation process:

The Company used internal historical data and external actuarial study to estimate its losses.

6.3

What provision has this reporting entity made ( such as a catastrophic reinsurance program ) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss?

The Company is in run-off and ceded 100% of its business.

6.4

Does the reporting entity carry catastrophe reinsurance protection for at least one reinstatement , in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?

Yes ( ) No (X)

6.5

If no , describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to uninsured catastrophic loss .

The Company is in run-off and ceded 100% of its business to an affiliate.

7.1

Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurers's losses below the stated quota share percentage ( e . g . , a deductible , a loss ratio corridor , a loss cap , an aggregate limit or any similar provisions ) ?

Yes ( ) No (X)

7.2

If yes , indicate the number of reinsurance contracts containing such provisions .

7.3

If yes , does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision (s) ?

Yes ( ) No (X)

8.1

Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability , in whole or in part , from any loss that may occur on this risk , or portion thereof , reinsured?

Yes (X) No ( )

8.2

If yes , give full information .

The Company entered into a commutation agreement with CXRE Reinsurance Company . ( see 23E of the notes to financial statements )

9.1

Has the reporting entity ceded any risk under any reinsurance contract ( or under multiple contracts with the same reinsurer or its affiliates ) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 3% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 3% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:  
(a) A contract term longer than two years and the contract is noncancellable by the reporting entity during the contract term;  
(b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity , or an affiliate of the reporting entity , to enter into a new reinsurance contract with the reinsurer , or an affiliate of the reinsurer;  
(c) Aggregate stop loss reinsurance coverage;  
(d) An unconditional or unilateral right by either party to commute the reinsurance contract except for such provisions which are only triggered by a decline in the credit status of the other party;  
(e) A provision permitting reporting of losses , or payment of losses , less frequently than on a quarterly basis ( unless there is no activity during the period ) ; or  
(f) Payment schedule , accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity .

Yes (X) No ( )

9.2

Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract ( or under multiple contracts with the same reinsurer or its affiliates ) , excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling , controlled by , or under common control with (i) one or more unaffiliated policyholders of the reporting entity , or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:  
(a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or  
(b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates .

Yes ( ) No (X)

9.3

If yes to 9.1 or 9.2 , please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:  
(a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income;  
(b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and  
(c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved .

9.4

Except for transactions meeting the requirements of paragraph 30 of SSAP No. 62 , Property and Casualty Reinsurance , has the reporting entity ceded any risk under any reinsurance contract ( or multiple contracts with the same reinsurer or its affiliates ) during the period covered by the financial statement , and either:  
(a) Accounted for that contract as reinsurance ( either prospective or retroactive ) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP") ; or  
(b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes ( ) No (X)

9.5

If yes to 9.4 , explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 ( Section D ) why the contract (s) is treated differently for GAAP and SAP .

GENERAL INTERROGATORIES  
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

10.

If the reporting entity has assumed risks from another entity , there should be charged on account of such reinsurances a reserve equal to that which the original reporting entity would have been required to charge had it retained the risks . Has this been done?

Yes (X) No ( ) N/A ( )

11.1

Has this reporting entity guaranteed policies issued by any other entity and now in force?

Yes ( ) No (X)

11.2

If yes , give full information .

12.1

If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 13.3 of the asset schedule , Page 2 , state the amount of corresponding liabilities recorded for:

12.11

Unpaid losses

\$

12.12

Unpaid underwriting expenses (including loss adjustment expenses)

\$

12.2

Of the amount on Line 13.3 of the asset schedule , Page 2 , state the amount which is secured by letters of credit , collateral and other funds:

\$

12.3

If the reporting entity underwrites commercial insurance risks , such as workers' compensation , are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes ( ) No (X) N/A ( )

12.4

If yes , provide the range of interest rates charged under such notes during the period covered by this statement:

12.41

From

%

12.42

To

%

12.5

Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by the reporting entity , or to secure any of the reporting entity's reported direct unpaid loss reserves , including unpaid losses under loss deductible features of commercial policies?

Yes ( ) No (X)

12.6

If yes , state the amount thereof at December 31 of the current year:

12.61

Letters of credit

\$

12.62

Collateral and other funds

\$

13.1

What amount of installment notes is owned and now held by the reporting entity?

\$

13.2

Have any of these notes been hypothecated , sold or used in any manner as security for money loaned within the past year?

Yes ( ) No (X)

13.3

If yes , what amount?

\$

14.1

Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$

14.2

Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes (X) No ( )

14.3

State the number of reinsurance contracts (excluding individual facultative risk certificates , but including facultative programs , automatic facilities or facultative obligatory contracts ) considered in the calculation of the amount .

1

15.1

Is the company a cedant in a multiple cedant reinsurance contract?

Yes ( ) No (X)

15.2

If yes , please describe the method of allocating and recording reinsurance among the cedants:

15.3

If the answer to 15.1 is yes , are the methods described in item 15.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes ( ) No (X)

15.4

If the answer to 15.3 is no , are the methods described in 15.2 entirely contained in written agreements?

Yes ( ) No (X)

15.5

If the answer to 15.4 is no , please explain:

16.1

Has the reporting entity guaranteed any financed premium accounts?

Yes ( ) No (X)

16.2

If yes , give full information .

GENERAL INTERROGATORIES  
PART 2 - PROPERTY AND CASUALTY INTERROGATORIES

17.1 Does the reporting entity write any warranty business? Yes ( ) No (X)

If yes , disclose the following information for each of the following types of warranty coverage:

	1	2	3	4	5
	Direct Losses Incurred	Direct Losses Unpaid	Direct Written Premium	Direct Premium Unearned	Direct Premium Earned
17.11 Home	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
17.12 Products	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
17.13 Automobile	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....
17.14 Other*	\$ .....	\$ .....	\$ .....	\$ .....	\$ .....

\* Disclose type of coverage:  
.....  
.....

18.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5? Yes ( ) No (X)

Incurred but not reported losses on contracts not in force on July 1, 1984 or subsequently renewed are exempt from inclusion in Schedule F - Part 5.  
Provide the following information for this exemption:

18.11	Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ .....
18.12	Unfunded portion of Interrogatory 18.11	\$ .....
18.13	Paid losses and loss adjustment expenses portion of Interrogatory 18.11	\$ .....
18.14	Case reserves portion of Interrogatory 18.11	\$ .....
18.15	Incurred but not reported portion of Interrogatory 18.11	\$ .....
18.16	Unearned premium portion of Interrogatory 18.11	\$ .....
18.17	Contingent commission portion of Interrogatory 18.11	\$ .....

Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5 , not included above.

18.18	Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$ .....
18.19	Unfunded portion of Interrogatory 18.18	\$ .....
18.20	Paid losses and loss adjustment expenses portion of Interrogatory 18.18	\$ .....
18.21	Case reserves portion of Interrogatory 18.18	\$ .....
18.22	Incurred but not reported portion of Interrogatory 18.18	\$ .....
18.23	Unearned premium portion of Interrogatory 18.18	\$ .....
18.24	Contingent commission portion of Interrogatory 18.18	\$ .....

FIVE-YEAR HISTORICAL DATA

Show amounts in whole dollars only , no cents; show percentages to one decimal place , i.e . 17 .6 .

	1 2005	2 2004	3 2003	4 2002	5 2001
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 and 3)					
1. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....			22,000	419,748	825,784
2. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....		301,231	2,430,696	2,063,649	2,648,386
3. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	(11,892)	(482,147)	6,376,557	5,888,397	9,824,613
4. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....					
5. Nonproportional reinsurance lines (Lines 30, 31 and 32) .....	260,000	6,671,767	32,139,134	38,271,065	27,251,163
6. Total (Line 34) .....	248,108	6,490,851	40,968,387	46,642,859	40,549,946
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....			(781,581)	492,314	700,187
8. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....			847,173	2,063,649	2,648,386
9. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....			1,997,240	5,888,397	9,830,712
10. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33) .....					
11. Nonproportional reinsurance lines (Line 30, 31 and 32) .....			(29,266,195)	38,573,957	23,981,875
12. Total (Line 34) .....			(27,203,363)	47,018,317	37,161,160
Statement of Income (Page 4)					
13. Net underwriting gain (loss) (Line 8) .....	(252,872)	(324,584)	9,527,781	2,886,274	2,260,483
14. Net investment gain (loss) (Line 11) .....	2,248,480	896,498	2,653,322	2,231,208	3,307,603
15. Total other income (Line 15) .....					(1,078,284)
16. Dividends to policyholders (Line 17) .....					
17. Federal and foreign income taxes incurred (Line 19) .....	460,369	406,699	(712,692)	2,707,236	2,066,530
18. Net income (Line 20) .....	1,535,239	165,215	12,893,795	2,410,246	2,423,272
Balance Sheet Lines (Pages 2 and 3)					
19. Total admitted assets excluding protected cell business (Page 2, Line 24, Column 3) .....	48,028,017	86,833,600	108,593,813	94,349,582	78,491,455
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 13.1) .....		190,616	8,219,557	11,478,000	5,465,283
20.2 Deferred and not yet due (Line 13.2) .....					
20.3 Accrued retrospective premiums (Line 13.3) .....					
21. Total liabilities excluding protected cell business (Page 3, Line 24) .....	5,763,007	46,533,458	70,020,261	58,911,948	43,912,293
22. Losses (Page 3, Line 1 and Line 2) .....				36,529,782	26,150,056
23. Loss adjustment expenses (Page 3, Line 3) .....					
24. Unearned premiums (Page 3, Line 9) .....				21,250,256	15,690,166
25. Capital paid up (Page 3, Line 28 and Line 29) .....	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
26. Surplus as regards policyholders (Page 3, Line 35) .....	42,265,010	40,300,142	38,573,552	35,437,634	34,579,162
Risk-Based Capital Analysis					
27. Total adjusted capital .....	42,265,010	40,300,142	38,573,552	35,437,634	34,579,162
28. Authorized control level risk-based capital .....	1,319,572	3,351,245	4,285,804	10,966,885	8,131,527
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3) (Item divided by Page 2, Line 10, Column 3) x 100.0					
29. Bonds (Line 1) .....	44.6	46.4	72.0	76.5	42.8
30. Stocks (Line 2.1 and Line 2.2) .....	0.1	0.2	0.2	0.2	0.2
31. Mortgage loans on real estate (Line 3.1 and Line 3.2) .....					
32. Real estate (Lines 4.1, 4.2 and 4.3) .....				0.6	0.6
33. Cash, cash equivalents and short-term investments (Line 5) .....	55.3	53.4	27.8	22.8	49.1
34. Contact loans (Line 6) .....				X X X	X X X
35. Other invested assets (Line 7) .....					7.2
36. Receivables for securities (Line 8) .....					
37. Aggregate write-ins for invested assets (Line 9) .....					
38. Cash, cash equivalents and invested assets (Line 10) .....	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
39. Affiliated bonds (Schedule D, Summary, Line 25, Column 1) .....					
40. Affiliated preferred stocks (Schedule D, Summary, Line 39, Column 1) .....					
41. Affiliated common stocks (Schedule D, Summary, Line 53, Column 2) .....					
42. Affiliated short-term investments (subtotals included in Schedule DA, Part 2, Column 5 Line 11) .....					
43. Affiliated mortgage loans on real estate .....					
44. All other affiliated .....					
45. Total of above Line 39 through Line 44 .....					
46. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 45 above divided by Page 3, Column 1, Line 35 x 100.0) .....					

FIVE-YEAR HISTORICAL DATA

(Continued)

	1 2005	2 2004	3 2003	4 2002	5 2001
Capital and Surplus Accounts (Page 4)					
47. Net unrealized capital gains (losses) (Line 24).....	(371)	1,375	10,000	7,130	384,862
48. Dividends to stockholders (Line 35) .....	(50,000)	(3,000,000)	(2,995,000)	(2,020,000)	(3,388,000)
49. Change in surplus as regards policyholders for the year (Line 38).....	1,964,868	1,726,590	3,135,918	858,472	691,915
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
50. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....	104,623	106,444	213,073	149,475	974,738
51. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....	65,045	247,305	210,171	452,061	350,117
52. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....	142,911	738,022	698,408	1,273,806	770,130
53. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....					
54. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....	31,237,358	1,993,961	12,612,770	11,494,511	12,129,573
55. Total (Line 34) .....	31,549,937	3,085,732	13,734,422	13,369,853	14,224,558
Net Losses Paid (Page 9, Part 2, Column 4)					
56. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 18.1, 18.2, 19.1, 19.2 and 19.3, 19.4) .....			145,731	149,199	724,961
57. Property lines (Lines 1, 2, 9, 12, 21 and 26) .....			210,171	452,061	350,117
58. Property and liability combined lines (Lines 3, 4, 5, 8, 22 and 27) .....			698,408	1,273,806	757,967
59. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29 and 33).....					
60. Nonproportional reinsurance lines (Lines 30, 31, and 32) .....			10,000,210	9,815,793	11,536,677
61. Total (Line 34) .....			11,054,520	11,690,859	13,369,722
Operating Percentages (Page 4) (Item divided by Page 4, Line 1) x 100.0					
62. Premiums earned (Line 1) .....	100.0	100.0	100.0	100.0	100.0
63. Losses incurred (Line 2) .....			427.9	53.2	48.9
64. Loss expenses incurred (Line 3) .....			(3.8)	0.5	0.7
65. Other underwriting expenses incurred (Line 4) .....			(164.1)	39.3	43.7
66. Net underwriting gain (loss) (Line 8) .....			(160.0)	7.0	6.7
Other Percentages					
67. Other underwriting expenses to net premiums written (Page 4, Line 4 plus Line 5 minus Line 15 divided by Page 8, Part 1B, Column 6, Line 34 x 100.0) .....			(35.9)	34.6	42.3
68. Losses and loss expenses incurred to premiums earned (Page 4, Line 2 plus Line 3 divided by Page 4, Line 1 x 100.0) .....			424.1	53.8	49.6
69. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 34 divided by Page 3, Line 35, Column 1 x 100.0).....			(70.5)		107.5
One Year Loss Development (000 omitted)					
70. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11) .....			(26,332)	645	651
71. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 70 above divided by Page 4, Line 21, Column 1 x 100.0) .....			(74.3)	1.9	1.9
Two Year Loss Development (000 omitted)					
72. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12) .....		(26,103)	(9,066)	1,375	(969)
73. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 72 above divided by Page 4, Line 21, Column 2 x 100.0) .....		(73.7)	(26.2)	4.1	(3.1)

SCHEDULE D - SUMMARY BY COUNTRY

Long-Term Bonds and Stocks OWNED December 31 of Current Year

Description		1 Book/Adjusted Carrying Value	2 Fair Value	3 Actual Cost	4 Par Value of Bonds
BONDS Governments (Including all obligations guaranteed by governments)	1. United States .....	16,084,656	15,603,029	16,253,196	14,000,000
	2. Canada .....				
	3. Other Countries .....				
	4. Totals .....	16,084,656	15,603,029	16,253,196	14,000,000
States, Territories and Possessions (Direct and guaranteed)	5. United States .....				
	6. Canada .....				
	7. Other Countries .....				
	8. Totals .....				
Political Subdivisions of States, Territories and Possessions (Direct and guaranteed)	9. United States .....				
	10. Canada .....				
	11. Other Countries .....				
	12. Totals .....				
Special revenue and special assessment obligations and all non-guaranteed obligations of agencies and authorities of governments and their political subdivisions	13. United States .....	4,149,272	4,158,145	4,388,593	3,705,000
	14. Canada .....				
	15. Other Countries .....				
	16. Totals .....	4,149,272	4,158,145	4,388,593	3,705,000
Public Utilities (unaffiliated)	17. United States .....				
	18. Canada .....				
	19. Other Countries .....				
	20. Totals .....				
Industrial and Miscellaneous and Credit Tenant Loans (unaffiliated)	21. United States .....				
	22. Canada .....				
	23. Other Countries .....				
	24. Totals .....				
Parent, Subsidiaries and Affiliates	25. Totals .....				
	26. Total Bonds .....	20,233,928	19,761,174	20,641,789	17,705,000
PREFERRED STOCKS					
Public Utilities (unaffiliated)	27. United States .....				
	28. Canada .....				
	29. Other Countries .....				
	30. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	31. United States .....				
	32. Canada .....				
	33. Other Countries .....				
	34. Totals .....				
Industrial and Miscellaneous (unaffiliated)	35. United States .....	50,000	50,000	50,000	
	36. Canada .....				
	37. Other Countries .....				
	38. Totals .....	50,000	50,000	50,000	
Parent, Subsidiaries and Affiliates	39. Totals .....				
	40. Total Preferred Stocks .....	50,000	50,000	50,000	
COMMON STOCKS					
Public Utilities (unaffiliated)	41. United States .....				
	42. Canada .....				
	43. Other Countries .....				
	44. Totals .....				
Banks, Trust and Insurance Companies (unaffiliated)	45. United States .....				
	46. Canada .....				
	47. Other Countries .....				
	48. Totals .....				
Industrial and Miscellaneous (unaffiliated)	49. United States .....				
	50. Canada .....				
	51. Other Countries .....				
	52. Totals .....				
Parent, Subsidiaries and Affiliates	53. Totals .....				
	54. Total Common Stocks .....				
	55. Total Stocks .....	50,000	50,000	50,000	
	56. Total Bonds and Stocks .....	20,283,928	19,811,174	20,691,789	

SCHEDULE D - VERIFICATION BETWEEN YEARS

Bonds and Stocks

1. Book/adjusted carrying value of bonds and stocks , prior year .....	38,601,300	7. Amortization of premium .....	363,930
2. Cost of bonds and stocks acquired , Column 7 , Part 3 .....	15,139,562	8. Foreign Exchange Adjustment:	
3. Accrual of discount .....	3,110	8.1 Column 15, Part 1 .....	
4. Increase (decreased) by adjustment:		8.2 Column 19, Part 2, Section 1 .....	
4.1 Column 12 minus Column 14, Part 1 .....		8.3 Column 16, Part 2, Section 2 .....	
4.2 Column 15 minus Column 17, Part 2, Section 1 .....		8.4 Column 15, Part 4 .....	
4.3 Column 15, Part 2, Section 2 .....		9. Book/adjusted carrying value at end of current period .....	20,283,928
4.4 Column 11 minus Column 13, Part 4 .....	(375)	10. Total valuation allowance .....	
5. Total gain (loss) , Column 19, Part 4 .....	772,792	11. Subtotal (Line 9 plus Line 10) .....	20,283,928
6. Deduct consideration for bonds and stocks disposed of Column 7 , Part 4 .....	33,868,531	12. Total nonadmitted amounts .....	
		13. Statement value of bonds and stocks , current period .....	20,283,928

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 Omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12  Number of Claims Reported - Direct and Assumed
	1	2	3	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10	11	
	Direct and Assumed	Ceded	Net (Columns 1 - 2)	4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded	Salvage and Subrogation Received	Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)	
1. Prior .....	X X X	X X X	X X X									X X X
2. 1996 .....	19,509	520	18,989	8,387	1,033	210		163			7,727	X X X
3. 1997 .....	21,287	558	20,729	7,900	925	286		202			7,463	X X X
4. 1998 .....	23,087	356	22,731	8,464	1,577	182		180			7,249	X X X
5. 1999 .....	25,825	642	25,183	9,597	1,217	168	1	172			8,719	X X X
6. 2000 .....	30,665	1,638	29,027	12,505	2,599	130	1	86			10,121	X X X
7. 2001 .....	36,360	2,850	33,510	15,635	4,541	81	1	108			11,282	X X X
8. 2002 .....	42,460	1,002	41,458	14,405	9,549	112		81			5,049	X X X
9. 2003 .....	45,129	51,083	(5,954)	16,237	15,311	138	7	89			1,146	X X X
10. 2004 .....	23,692	23,692		3,406	3,406	16	16					X X X
11. 2005 .....	248	248										X X X
12. Totals .....	X X X	X X X	X X X	96,536	40,158	1,323	26	1,081			58,756	X X X

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23	24	25
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR		21	22	Salvage and Subrogation Anticipated	Total Net Losses and Expenses Unpaid	Number of Claims Outstanding - Direct & Assumed
	13 Direct and Assumed	14 Ceded	15 Direct and Assumed	16 Ceded	17 Direct and Assumed	18 Ceded	19 Direct and Assumed	20 Ceded	Direct and Assumed	Ceded			
1. ....	245	245	89	89									X X X
2. ....	75	75	189	189									X X X
3. ....	112	112	323	323									X X X
4. ....	72	72	503	503									X X X
5. ....	198	198	591	591									X X X
6. ....	420	420	2,252	2,252									X X X
7. ....	970	970	1,277	1,277									X X X
8. ....	1,915	1,915	1,877	1,877									X X X
9. ....	2,331	2,331	4,498	4,498									X X X
10. ....	4,355	4,355	4,057	4,057									X X X
11. ....													X X X
12. ....	10,693	10,693	15,656	15,656									X X X

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34	Net Balance Sheet Reserves After Discount	
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense	Inter - Company Pooling Participation Percentage	35 Losses Unpaid	36 Loss Expenses Unpaid
1. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X		
2. ....	9,024	1,297	7,727	46.3	249.4	40.7					
3. ....	8,823	1,360	7,463	41.4	243.7	36.0					
4. ....	9,401	2,152	7,249	40.7	604.5	31.9					
5. ....	10,726	2,007	8,719	41.5	312.6	34.6					
6. ....	15,393	5,272	10,121	50.2	321.9	34.9					
7. ....	18,071	6,789	11,282	49.7	238.2	33.7					
8. ....	18,390	13,341	5,049	43.3	1,331.4	12.2					
9. ....	23,293	22,147	1,146	51.6	43.4	(19.2)					
10. ....	11,834	11,834		49.9	49.9						
11. ....											
12. ....	X X X	X X X	X X X	X X X	X X X	X X X			X X X		

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	11 One Year	12 Two Year
1. Prior .....												
2. 1996 .....	8,183	7,963	7,924	7,727	7,739	7,773	7,520	7,564	7,564	7,564		
3. 1997 .....	X X X	7,934	7,789	7,795	7,307	7,322	7,480	7,261	7,261	7,261		
4. 1998 .....	X X X	X X X	7,645	7,561	7,650	7,443	7,597	7,069	7,069	7,069		
5. 1999 .....	X X X	X X X	X X X	8,996	8,845	9,098	8,989	8,547	8,547	8,547		
6. 2000 .....	X X X	X X X	X X X	X X X	12,070	12,715	13,550	10,035	10,035	10,035		
7. 2001 .....	X X X	X X X	X X X	X X X	X X X	15,881	15,913	11,174	11,174	11,174		
8. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	21,559	4,968	4,968	4,968		
9. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,057	1,057	1,057		
10. 2004 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X				X X X
11. 2005 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X
12. Totals												

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11	12
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005	Number of Claims Closed With Loss Payment	Number of Claims Closed Without Loss Payment
1. Prior .....	0 0 0										X X X	X X X
2. 1996 .....	1,054	3,092	4,369	5,701	6,854	7,744	7,486	7,564	7,564	7,564	X X X	X X X
3. 1997 .....	X X X	1,085	2,736	3,887	5,310	6,857	7,257	7,261	7,261	7,261	X X X	X X X
4. 1998 .....	X X X	X X X	1,184	2,593	4,329	6,310	7,251	7,069	7,069	7,069	X X X	X X X
5. 1999 .....	X X X	X X X	X X X	989	3,567	6,028	7,828	8,547	8,547	8,547	X X X	X X X
6. 2000 .....	X X X	X X X	X X X	X X X	1,760	5,585	8,234	10,035	10,035	10,035	X X X	X X X
7. 2001 .....	X X X	X X X	X X X	X X X	X X X	2,226	6,269	11,174	11,174	11,174	X X X	X X X
8. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	2,178	4,968	4,968	4,968	X X X	X X X
9. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	1,057	1,057	1,057	X X X	X X X
10. 2004 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X			X X X	X X X
11. 2005 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		X X X	X X X

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 1996	2 1997	3 1998	4 1999	5 2000	6 2001	7 2002	8 2003	9 2004	10 2005
1. Prior .....										
2. 1996 .....	4,813	2,999	1,638	475						
3. 1997 .....	X X X	4,676	2,731	1,041	88					
4. 1998 .....	X X X	X X X	4,029	1,452	504	37	33			
5. 1999 .....	X X X	X X X	X X X	4,475	787	(17)	51			
6. 2000 .....	X X X	X X X	X X X	X X X	5,575	1,364	596			
7. 2001 .....	X X X	X X X	X X X	X X X	X X X	5,923	2,091			
8. 2002 .....	X X X	X X X	X X X	X X X	X X X	X X X	14,441			
9. 2003 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X			
10. 2004 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X		
11. 2005 .....	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	X X X	





Fairfax Financial Holdings Limited  
CHART OF CORPORATE STRUCTURE as of December 31, 2005

Ownership percentage of subsidiary companies is 100% unless otherwise indicated, o=ownership, v=voting.

Notes:

Change	(1)	Hub International Limited is not a subsidiary of Fairfax Financial Holdings Limited or any of its subsidiaries. Hub shares are held as follows: Fairfax (0.83%), Clearwater Insurance Company (13.25%), Lombard General Insurance Company of Canada (4.99%), Markel Insurance Company of Canada (3.74%), Commonwealth Insurance Company(3.05%).
	(2)	Fairfax ownership of ORH Holdings Inc. is 100%: TIG Insurance Company (97.50%), Fairfax Inc. (2.50%).
Change	(3)	Fairfax ownership of TRG Holding Corporation class I common stock is 100%: Clearwater Insurance Company (47.42%) (38.05% after considering public shareholder), nSpire Re Limited (13.48%), United States Fire Insurance Company (5.16%), Wentworth Insurance Company Ltd. (33.94%). Class II non-voting stock ownership: Xerox Financial Services, Inc. (86.22%), Fairfax Inc. (13.78%).
	(4)	Fairfax ownership of Odyssey Servicios Limitada is held by Odyssey Latin America, Inc. (90%) and Odyssey Holdings Latin America, Inc. (10%).
Change	(5)	Financed and controlled by Fairmont Specialty Managers Corp.: Loyds participants have assigned their rights and privileges to Fairmont Specialty Managers Corp., which also holds the management contract.
	(6)	Fairfax ownership of Odyssey Re Holdings Corp. is 80.24%: TIG Insurance Group, Inc. (52.24%), Fairfax Financial (US) LLC (6.22%), TIG Insurance Company (7.11%), ORH Holdings Inc. (8.92%), United States Fire Insurance Company (1.16%) and Fairfax Inc.(4.58%); TIG Insurance Group, Inc. owns 50% of Odyssey Re Holdings Corp. and has an indirect 51.78% interest in Odyssey Re Holdings Corp.
Change	(7)	Companies in the Fairfax group hold shares in Zenith National Insurance Corp. as portfolio investments. In total the company owns 10.33% but does not have voting rights. The size of the holdings may change and this chart may not be updated to reflect all changes. The Fairfax investment is held by United States Fire Insurance Company (9.02%) and CRC (Bermuda) Reinsurance Limited (1.31%).
	(8)	Subsidiaries are not listed. Please request list.
Change	(9)	Fairfax ownership of Advent Capital (Holdings) PLC is 46.82%: nSpire Re Limited (6.89%), United States Fire Insurance Company (10.55%), Clearwater Insurance Company (7.52%), Odyssey America Reinsurance Corporation (7.52%), Fairmont Specialty Insurance Company (6.01%), The North River Insurance Company (0.86%) and CRC (Bermuda) Reinsurance Limited (7.47%).
Change	(10)	Fairfax ownership of HWIC Asia Fund is 97.27%. See Schedule A for ownership details. Updated as of December 31, 2005.
	(11)	Fairfax ownership of Northbridge Financial Corporation is 59.21%: Fairfax Financial Holdings Limited (16.44%), 3077446 Nova Scotia Company (19.88%), 3082596 Nova Scotia Company (7.64%) and United States Fire Insurance Company (15.25%).
	(12)	Fairfax ownership of MFxchange Holdings Inc. is as follows: Fairfax (83.33%), The North River Insurance Company (9.26%) and Odyssey America Reinsurance Corporation (7.41%).
Change	(13)	Fairfax ownership of Riverstone Holdings Limited is as follows: FFH Financial Holdings SA (89.00%) and FFHL Group Ltd. (4.0%).
Correction	(14)	Fairfax ownership of Wentworth Insurance Company Ltd. is as follows: Wentworth Insurance Company Ltd. (56.0% o) (100% v) and Odyssey America Reinsurance Corporation (44.0% o) (0% v).
	(15)	Fairfax ownership of Zenith Insurance Services Inc. is as follows: Lombard Canada Ltd. (50%) and LSA Insurance Services Ltd. (50%).
Change	(16)	Fairfax ownership of Pacific Century Fund 1 is 100%: Lombard General Insurance Company of Canada (50.00%), Commonwealth Insurance Company (20.00%), Markel Insurance Company of Canada (20.00%) and Federated Insurance Company (10.00%).
Change	(17)	Fairfax ownership of Fairfax Inc. is 100%: FFHL Group Ltd. (48.10%) and FFHL (Luxembourg) S.à.r.l. (51.90%).
Change	(18)	Fairfax ownership of Dalton Greater China Fund is 53.78%: United States Fire Insurance Company (21.44%), Odyssey America Reinsurance Corporation (21.45%), Lombard General Insurance Company of Canada (5.44%), Commonwealth Insurance Company of Canada (2.18%) and Federated Insurance Company (1.09%).
Change	(19)	Fairfax ownership of Lindsey Morden Group, Inc. is 80.96% (potentially 89.90% v): CRC (Bermuda) Reinsurance Limited (18.02%), Fairmont Specialty Insurance Company (9.00%), TIG Insurance Company (9.01%) and Fairfax Insurance Services Inc. (44.93%) (potentially 70.79% v).

Fairfax Financial Holdings Limited

CHART OF CORPORATE STRUCTURE as of December 31, 2005		of Incorporation	FEIN	NAIC/AIN #	Acquired	Principal Activities
FAIRFAX FINANCIAL HOLDINGS LIMITED		Canada	101728897			
Change New	— Northbridge Financial Corporation (16.44%) (11)	Canada	893118505		20-Apr-03	Holding Company
	— Northbridge Share Option 1 Corp.	Ontario	1573820		20-May-03	Holding Company
	— 3077446 Nova Scotia Company	Nova Scotia	89066902			Holding Company
	— Northbridge Financial Corporation (19.88%)	Canada	893118505		20-Apr-03	Holding Company
	— Lombard Canada Ltd.	Canada	101129856		12-Dec-83	Insurance management
	— Zenith Insurance Services Inc. (50%) (15)	Ontario	891055873		11-Oct-96	Insurance Agent
	— Kemur Publishing Co. Ltd. (60%)	Ontario	10279 9558		01-Jun-01	Publishing
	— Lombard General Insurance Company of Canada	Canada	140405584	AA-1560542	20-Dec-94	Property/Casualty Insurance
	— HWIC Asia Fund (10)	Mauritius	23625/5443		Dec-01	Investment Fund
	— Lombard Insurance Company	Canada	140405499	AA-1560541	20-Dec-94	Property/Casualty Insurance
	— Zenith Insurance Company	Canada	890694144		26-Feb-97	Property/Casualty Insurance
	— 105 Adelaide Partnership (50%)	Ontario			31-Jan-95	
	— Pacific Century Fund 1 (50.00%) (16)	Delaware				
	— Dalton Greater China Fund (5.44%) (18)	Cayman Islands			18-Nov-04	
	— 105 Adelaide Partnership (25%)	Ontario			31-Jan-95	
Change	— Insurance Technology International Inc.	Ontario	865715197		23-Oct-00	Software Company
	— LSA Insurance Services Ltd.	Alberta	895265460		06-Jul-95	Insurance Agency
	— Mr. Insurance Ltd. (38%)	Ontario	876161639		01-Jan-02	Insurance Broker
	— The McLennan Group Insurance Inc.	Ontario	132961442		09-Jan-92	Insurance Agency
	— The McLennan Group Life Insurance Inc. (50%)	Ontario	895444712		08-Feb-01	Life Insurance Agency
	— Zenith Insurance Services Inc. (50%) (15)	Ontario	891055873		11-Oct-96	Insurance Agency
	— 616538 Saskatchewan Ltd.	Saskatchewan	891417099		31-Jul-96	Holding Company
	— Canadian Hall Agencies Inc.	Saskatchewan	885611558		25-Nov-95	Insurance Agency
	— Markel Insurance Company of Canada	Canada	103525802	AA-1561016	13-Mar-51	Property/Casualty Insurance
	— Proco Transportation Services Inc.	Ontario	1366131		31-Jul-91	Truck Drivers School
	— Markel Professional Transport Training Inc.	Canada	913713		19-Jul-99	
	— HWIC Asia Fund (10)	Mauritius	23625/5443		Dec-01	

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
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PART 1 - ORGANIZATIONAL CHART

Change		-- Pacific Century Fund 1 (20.00%) (16)	Delaware				
New		-- Dalton Greater China Fund (2.18%) (18)	Cayman Islands			18-Nov-04	
		--105 Adelaide Partnership (25%)	Ontario			31-Jan-95	
		-- Commonwealth Insurance Company	Canada	101069177	AA-1560210	14-Nov-90	Comm. Prop.,Oil & Gas Ins.
		-- Commonwealth Insurance Company of America	Wash	91-1673817	10220	1995	P&C Insurance
		-- HWIC Asia Fund (10)	Mauritius	23625/5443		Dec-01	
Change		-- Pacific Century Fund 1 (20.00%) (16)	Delaware				
New		-- Dalton Greater China Fund (2.18%) (18)	Cayman Islands			18-Nov-04	
		--170 University Partnership (50%)	Ontario			01-Apr-95	
		--Federated Insurance Company of Canada	Canada	101755098	AA-1560009	22-Mar-90	Property/Casualty Insurance
Change		--Pacific Century Fund 1 (10.00%) (16)	Delaware				
New		-- Dalton Greater China Fund (1.09%) (18)	Cayman Islands			18-Nov-04	
		--HWIC Asia Fund (10)	Mauritius	23625/5443		Dec-01	Investment Fund
		--Contact + Insurance Network Ltd.	Canada	89755 5025		18-Mar-98	Insurance Brokerage
		--Les services d'assurance Carrefours Itee	Canada	89425 7526		04-May-98	Insurance Brokerage
		--170 University Partnership (50%)	Ontario			01-Apr-95	
		-- Primex Adjusters Limited	Canada	170788-4		14-Nov-90	Internal Claims Adjusting
		-- 3082596 Nova Scotia Company (11)	Nova Scotia	873493407			
		-- Northbridge Financial Corporation (7.64%)	Canada	4157206			
		-- CRC (Bermuda) Reinsurance Limited	Bermuda	20309	AA--3194183	1995	Reinsurance
Change		-- HWIC Asia Fund (10)	Mauritius	23625/5443		Dec-01	
		-- Zenith National Insurance Corp. (1.31%)(7)	Delaware	772549			
Change		--Advent Capital (Holdings) PLC (7.47%) (9)	Canada	10376 1458		27-Oct-86	Holding Company
		-- Lindsey Morden Group Inc. (18.02%) (19)	Barbados	16945		26-May-99	Property/Casualty Insurance
		-- Fairfax (Barbados) Insurance Corp.	Canada	102256245		01-Oct-82	Investment Counsel
		-- Hamblin Watsa Investment Counsel Ltd.	United Kingdom	4949373		31-Oct-03	
		-- Hamblin Watsa (UK) Limited	Ontario	879284354		24-Nov-89	Inactive Holding Company
		-- Faircross Holdings Corporation	Ontario	865310296		30-Jun-00	Aviation
		--Noro Limited	Ontario	870936111		14-Dec-01	
		-- MFXchange Holdings Inc. (83.33%) (12)	Ireland	356722		15-May-02	e-Commerce
		-- MFXchange (Ireland) Limited	Delaware	01-0748234		17-Oct-02	
		-- MFXchange US, Inc.	Delaware	76-0772622		23-Dec-04	
		-- MFX Roanoke, Inc.	Delaware	33-1115540		04-Apr-05	Computer Services
Change		-- MFX Global Services, Inc.	Canada	1327064			
		--Hub International Limited (25.86% ov) (1)	Canada	876516188		01-Jan-94	Holding Company
Correction		-- FFHL Group Ltd.	Wyoming	83-0306126		01-Jan-94	Holding Company
		-- Fairfax Inc. (48.10%) (17) .../ [to page 2]	Conn.	22-3670103		06-Aug-99	Holding Company
		-- Fairfax Holdings Inc.	Ireland	268090	AA-1784124		Reinsurance
		-- nSpire Re Limited .../ [to page 2]	Netherlands	8071705		01-Nov-96	Holding Company
		-- FFH Reinsurance Group B.V. .../ [to page 2]	Gibraltar	98-0393715		11-Dec-02	
		-- Fairfax (Gibraltar) Limited	Luxembourg	98-0393714			
		-- FFHL (Luxembourg) S.à.r.l. (preferred shares)	Luxembourg	98-0393714		17-Dec-02	Holding Company
Change		-- FFHL (Luxembourg) S.à.r.l.	Wyoming	83-0306126			
Correction		-- Fairfax Inc. (51.90%) (17)	Bermuda	34493		21-Nov-03	Holding Company
Change		-- Cameron Financial Ltd.					
		-- Fairfax Inc. [from page 1]	Wyoming	83-0306126		01-Jan-94	Holding Company
		-- Crum & Forster Holdings Corp.	Delaware	04-3611900		06-Mar-02	Holding Company
		-- Crum & Forster Holding Inc.	Delaware	22-3258258		13-Aug-98	Managing Company
		-- United States Fire Insurance Company	Delaware	13-5459190	21113	13-Aug-98	Insurance
New		-- Dalton Greater China Fund (21.44%) (18)	Arizona	13-3545069	44520	21-Dec-00	Surplus Lines Insurance
		-- Crum & Forster Specialty Insurance Company	Canada	4157206		20-Apr-03	Holding Company
Change		-- Northbridge Financial Corporation (15.25%) (11)	Delaware	772549		01-Jun-71	
		-- Zenith National Insurance Corp. (9.02%) (7)	Delaware	52-2058814			Holding Company
Change		-- TRG Holding Corporation (5.16%) (3) ...	U.K.	3033609			Holding Company
		-- Advent Capital (Holdings) PLC (10.55%) (9)	Mauritius	23625/5443		Dec-01	
Change		-- HWIC Asia Fund (10)	Delaware	52-2301683			Holding Company
Change		-- Odyssey Re Holdings Corp (1.16%) (6)	Texas	74-1385078		01-Jan-04	Managing General Agency
		-- Fairmont Specialty Insurance Managers	New Jersey	22-1964135	21105	13-Aug-98	Insurance
		-- The North River Insurance Company	New York	13-2941133	10936	31-Aug-00	Insurance
		-- Seneca Insurance Company, Inc.	Delaware	61-1319316		31-Aug-00	Insurance Services
		-- Seneca Risk Services, Inc.	Arizona	86-0902879	10729	31-Aug-00	Insurance
		-- Seneca Specialty Insurance Company	New York	13-3967338		31-Aug-00	Insurance Claims Services
		-- Excelsior Claims Administrators, Inc.	Mauritius	23625/5443		Dec-01	
		-- HWIC Asia Fund (10)	U.K.	3033609			
		-- Advent Capital (Holdings) PLC (0.86%) (9)	Ontario	398443-5			
		-- MFXchange Holdings Inc. (9.26%) (12)	New Jersey	22-2464174	42471	13-Aug-98	Insurance
		-- Crum and Forster Insurance Company	Delaware	22-2868548	31348	13-Aug-98	Insurance
		-- Crum & Forster Indemnity Company					

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
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PART 1 - ORGANIZATIONAL CHART

Change	-- Odyssey Re Holdings Corp. (4.58%) (6)	Delaware	52-2301683		Holding Company
	-- ORH Holdings Inc. (2.50%) (2)	Delaware	75-2869978	26-Oct-99	Holding Company
	-- RiverStone Group LLC	Delaware	02-0511579	11-Aug-99	Holding Company
	-- RiverStone Resources LLC	Delaware	02-0511580	11-Aug-99	Insurance Services
	-- RiverStone Claims Management LLC	Delaware	75-2869975	20-Oct-99	Insurance Claims Services
	-- RiverStone Reinsurance Services LLC	Delaware	75-2869980	20-Oct-99	Reinsurance Services
Correction	-- TIG Holdings, Inc. .../ [to page 4]	Delaware	94-3172455	13-Apr-99	Holding Company
	-- TRG Holding Corporation (13.78% non-voting) (3)	Delaware	52-2058814		Holding Company
	-- Fairfax Information Technology Services, Inc.	Delaware	52-2010021	20-Feb-96	Computer Hardware/Software
Change	-- Fairfax Financial (US) LLC	Delaware	68-0542648	03-Mar-03	Holding Company
	-- Odyssey Re Holdings Corp. (6.22%) (6)	Delaware	52-2301683		Holding Company
	-- Guild Underwriters Napa, Inc.	Delaware	20-0350403	22-Apr-03	Holding Company
	-- Guild Napa Insurance Services	California	20-0128850	21-Jul-03	Brokerage Company
	-- Guild Insurance Agency, Inc.	Ohio	20-1391488	05-May-04	Insurance
	-- Ranger Insurance Services, Inc.	Texas	76-0627398		
	--SRONapa Risk Services, Inc.	CA	20-2788585	30-Apr-05	Third Party Adjuster
New	-- nSpire Re Limited	Ireland	268090	26-Nov-97	Reinsurance
	--Wynford Financial S.à.r.l.	Luxembourg		11-Oct-05	Holding Company
	-- Fairfax Insurance Services Inc.	Ontario	875348674		Holding Company
Change	--1296992 Ontario Limited	Ontario		26-May-98	Holding Company
	-- Lindsey Morden Group Inc. (44.93% o) (potentially 70.79% v)	Canada	10376 1458	27-Oct-86	Holding Company
	-- Cunningham Lindsey Canada Limited	Canada	12285 1868	27-Oct-86	Claims Adjusting; Loss Mgt
	-- Lindsey Morden Acquisitions (99.90% ov. 0.10% LMGI)	U.K.	3562448		Holding Company
	-- Lindsey Morden (99.999% ov. 0.001% CLCL)	U.K.	2732018	19-Jun-98	Management Company
	-- Cunningham Group Overseas Limited	U.K.	2384538	19-Jun-98	Holding Company
	-- Cunningham Lindsey Europe B.V. ... (8)	Netherlands	33096962		Claims Adjusting
	-- Cunningham IAP Ltd ... (8)	U.K.	2554653	19-Jun-98	Holding Company
	-- Cunningham Lindsey International Ltd	U.K.	2191990		Claims Adjusting
	-- E & B Holdings Limited	U.K.	2090957	30-Oct-98	Holding Company
	-- Cunningham Lindsey United Kingdom	U.K.	159031		Claims Adjusting
	-- Cunningham UK Limited (dormant) ... (8)	U.K.	2573192		Dormant
	-- Cunningham Lindsey U.S., Inc.	Texas	74-0539650	30-Dec-87	Claims Adjusting
	-- Cunningham Lindsey Claims Management, Inc.	Delaware	75-2356072	30-Dec-87	Management Company
	-- Vale National Training Center, Inc.	Texas	75-2016151	30-Dec-87	Adjuster Training School
	-- RSKCo Services, Inc.	Illinois	5395-5827		Dormant
	-- Cunningham Lindsey Axis, Inc.	Delaware	20-2384435	26-Jan-05	Claims adjusting
	-- Claims International (Holdings) Limited	U.K.	2560971		Holding Company
	-- Claims International Limited	U.K.	2134239		Claims Adjusting
	-- Advent Capital (Holdings) PLC (6.89%) (9)	U.K.	3033609		Holding Company
	-- TRG Holding Corporation (13.48%) (3)	Delaware	52-2058814		Holding Company
	[parent FFHL Group Ltd. ]				
	-- Riverstone Holdings Limited (4.0%) (13)	U.K.	2709527		Holding Company
	-- FFH Reinsurance Group B.V. (13)	Netherlands	8071705	01-Nov-96	Holding Company
Change	-- FFH Financial Holding S.A. (13)	Luxembourg	B61605	10-Nov-97	Holding Company
	-- International Holding Network SA (10% non-voting)	Switzerland		23-Aug-05	Reinsurance Holding Company
	--RiverStone Holdings Limited (96.00%) (13)	U.K.	2709527	03-Dec-97	Holding Company
	-- RiverStone Stockholm Management AB	Sweden	556643-2042		Management Company
	-- RiverStone Corporate Capital Limited	U.K.	3655017	23-Oct-98	General Commercial Ins.
	-- RiverStone Managing Agency Limited	U.K.	3253305	16-Dec-03	Management Company
	-- Sphere Drake Insurance Limited	U.K.	516540	03-Dec-97	Reinsurance
	-- RiverStone Management Limited	U.K.	1268308	03-Dec-97	Management Company
	-- Sphere Drake Leasing Limited	U.K.	1899032	03-Dec-97	Leasing
Correction	-- Sphere Drake Acquisitions (U.K.) Limited	U.K.	2136565	03-Dec-97	Dormant
	-- RiverStone Insurance (UK) Limited	U.K.	12318	14-Apr-00	Insurance & Reinsurance
	-- RiverStone France	France	552149486		Management Company
	-- FFH Financial Holding A.G.	Switzerland	17030217270	14-Nov-97	Holding Company
	-- Wentworth Insurance Company Ltd.	Barbados	6408	24-Jul-90	Reinsurance
	--Fairfax Asia Limited (56.0% o) (100% v) (14)	Barbados	23105	24-Nov-03	Holding Company
	--FAL Corporation	Mauritius	488889C1/GBL	Dec-01	Holding Company
	--First Capital Insurance Limited (97.70%)	Singapore		10-Sep-02	Property/Casualty Insurance
	--Prime Underwriting Managers Pte. Ltd.	Singapore			
	--HWIC Asia Fund (10)	Mauritius	23625/5443	Dec-01	
	--ICICI Lombard General Insurance Company Limited (13%)	India			Property/Casualty Insurance
	--ICICI Lombard General Insurance Company Limited (13%)	India			General Insurance Company
	--Falcon Insurance Company (Hong Kong) Ltd. (100%)	Hong Kong	56811	20-Dec-01	General Insurance Company
	--Grandview Square Ltd. (50%)	Shanghai	899934	07-May-04	Properties investment
	--RiverStone Insurance (50%)	Shanghai	882624	07-May-04	Properties investment
	--Falcon (1998) Limited	Hong Kong	56811	16-Jan-98	Dormant



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
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"	-- Fairmont Specialty Managers Corp.	Texas	76-0247311		01-Jan-94	Underwriting Management
"	--Fairmont Specialty Lloyds (an incorporated association) (5)	Texas	74-0090673	24406	01-Jan-94	Property/Casualty Insurance
Change	-- Advent Capital (Holdings) PLC (6.01%) (9)	U.K.	3033600			Holding Company
	-- HVIC Asia Fund (10)	Mauritius	23625/5443		Dec-01	
Change	-- Lindsey Morden Group Inc. (9.00%) (19)	Canada	10376 1458		27-Oct-86	Holding Company

Organizational Chart of the Zenith National Group See Note 7

-- Zenith National Insurance Corp.	Delaware	772549		01-Jun-71	
--- Perma-Bilt	Nevada	88-0296762		09-Mar-93	
--- Zenith National Insurance Capital Trust	Delaware	BN		30-Jun-98	Delaware Stat. Bus. Trust
--- Zenith Development Corp.	Nevada	95-4717759		16-Dec-98	
--- Zenith Insurance Company	California	95-1651549	13269		Insurance
-- Znat Insurance Company	California	95-4103565	30120		Insurance
-- Zenith Star Insurance Company	Texas	95-4432955	30150		
-- Calirehab Services, Inc.	California	95-4275980		08-Jan-82	Holding Company
-- Zenith Risk Management Inc.	Florida	59-3408979		21-Oct-96	Dissolved
-- 1390 Main Street LLC	Delaware	91-1947518		01-Apr-98	Holding Company
-- Zenith Insurance Management Services Inc.	Florida	65-0798289		17-Dec-97	Claims Administration

Changes added (noted) during the first quarter 2005:  
Lindsey Morden Limited effective June 18, 2004 re-registered as unlimited company name changed to Lindsey Morden.  
Lindsey Morden Claim Services (Holdings) Limited dissolved effective December 14, 2004.  
Lindsey Morden Claims Services (UK) Ltd. dissolved effective December 14, 2004.  
Card Claims International Limited dissolved effective December 14, 2004.  
Village Central Investments Inc. is dissolved effective January 1, 2005.  
ICICI Lombard General Insurance Company Limited owned by FAL Corporation effective January 1, 2005.  
Aegis Financial Systems Inc. is dissolved effective January 1, 2005.  
Fairbridge Inc. is dissolved effective January 1, 2005.  
nSpire Re (Ireland) Limited is dissolved effective January 2, 2005.  
Riskvault Inc. is dissolved effective January 2, 2005.  
Ranger Insurance Finance Co. name changed to Fairmont Specialty Insurance Finance Co effective January 3, 2005.  
Ranger Insurance Managers name changed to Fairmont Specialty Insurance Managers effective January 3, 2005.  
Fairfax Island sf is dissolved effective January 7, 2005.  
Compagnie Transcontinentale de Reassurance Holding S.A.S. acquired Reassurance d'Ile-de-France effective January 11, 2005.  
Compagnie Transcontinentale de Reassurance Holding S.A.S acquired Terra Nova S.A.S on January 11, 2005.  
Cunningham Lindsey Axis, Inc. incorporated January 26, 2005, 100% owned by Cunningham Lindsey U.S.  
3879011 Canada Inc. is dissolved effective February 21, 2005.  
Federated Holdings of Canada Ltd. is dissolved effective February 26, 2005.  
Sphere Drake Nominees Limited is dissolved effective March 1, 2005.  
Sphere Drake Corporate Capital Vehicle Limited name changed to RiverStone Corporate Capital Limited effective March 1, 2005.  
Change to include business numbers in FEIN column for Canadian companies.  
Change to include Pacific Century Fund 1 established as a Delaware business trust, effective October 22, 2004.  
Change to ownership percentages of Zenith National Insurance Corp. by Fairfax companies reduced to reflect reduction in issued and outstanding shares of Zenith.  
Change to include Odyssey America Trust established as a Delaware business trust, effective May 28, 2004.  
Correction: Name RSKco Services should be RSKco Services, Inc.  
Correction: Note 16 should read Zenith Insurance Services Inc. not Zenith Services Inc.  
Correction: Jurisdiction of Incorporation for Zenith Insurance Services Inc. to Ontario.  
Correction: The McLennan Group Insurance Inc. to remove (50%) ownership and correct Jurisdiction of Incorporation to Ontario.  
Correction: The McLennan Group Life Insurance Inc. to include ownership (50%).  
Correction: 4th Quarter Corporate Chart adding note re: ICICI Lombard Company (Hong Kong) Ltd. company name should read: ICICI Lombard General Insurance Company Limited.  
Correction: Old Lyme Insurance Company of Rhode Island to Old Lyme Insurance Company of Rhode Island, Inc.  
Correction: Include Wentworth ownership of TRG Holding Corporation.  
Correction: Ownership of Lindsey Morden Group Inc.

Changes added (noted) during the second quarter 2005:  
Ownership in section 1 renumbered from (12) forward to reflect deletion of Fairfax Liquidity Management Hungary Limited from chart.  
Fairmont Specialty Group Inc. principal activity corrected to holding company.  
MFX Global Services, Inc. incorporated on April 4, 2005 as a 100% subsidiary of MFXchange US, Inc.  
Contact + Insurance Network became wholly-owned subsidiary of Federated Insurance Company of Canada effective April 27, 2005.  
SRONapa Risk Services, Inc. incorporated April 30, 2005 as a subsidiary of Guild Underwriters Napa, Inc.  
Compagnie de Reassurance d'Ile-de-France S.A.S. dissolved May 20, 2005.  
Fairfax Liquidity Management Hungary Limited Liability Company sold May 25, 2005.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES  
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

Odyssey Re Stockholm Management Aktiebolag liquidated June 1, 2005.  
Fairfax SRL liquidated June 9, 2005.  
Fairfax Corporation liquidated June 9, 2005.  
Percentage ownership changes to Zenith National Insurance Corp., Advent Capital (Holdings) PLC, MFXchange Holdings Inc., Hub International Limited and Pacific Century Fund 1.  
Prime Underwriting Managers Pte. Ltd. is owned 100% by First Capital Insurance Limited.  
Les services d'assurance Carrefours Ltee became a wholly-owned subsidiary of Federated Insurance Company of Canada.  
105 Adelaide Partnership: investment partnership owned by Lombard General Insurance Company of Canada (25%), Lombard Insurance Company (50%) and Markel Insurance Company of Canada (25%), established under the laws of Ontario.  
170 University Partnership: investment partnership owned by Federated Insurance Company of Canada (50%) and Commonwealth Insurance Company (50%).  
1296992 Ontario Limited added: all common shares are owned by Fairfax Insurance Services Inc. and all preferred shares are owned by Lindsey Morden Group Inc.  
Cunningham Lindsey Marine Limited removed as it is part of Cunningham Lindsey Europe BV group.

Changes added (noted) during the third quarter 2005:  
Odysse Re Riverstone Stockholm Management AB dissolved June 1, 2005.  
FFLM US LLC dissolved June 29, 2005.  
Riverstone Stockholm sold August 30, 2005.  
ORC FISI BV dissolved September 30, 2005.  
International Holding Network SA established August 23, 2005.  
Newline Underwriting Management Limited added AIN number.  
Ownership percentage changes to Notes (1), (6), (7) (9) and (12).

Changes added (noted) during the fourth quarter 2005:  
Change: Note (1) Ownership percentage change.  
Change: Note (3) Reduction in percentage of Class II non-voting stock held by Xerox Financial Services, Inc.  
Change: Note (6) Ownership percentage changes to reflect sale of Fairmont Specialty Group, Inc. to TIG Insurance Company in exchange for shares and the purchase of shares by Fairfax, Inc. in October, 2005.  
Change: Note (7) Odyssey America Reinsurance Corporation and Clearwater Insurance Company sold their interests in Zenith National Insurance Corp. on September 28, 2005.  
Change: Note (9) Ownership percentage change.  
Change: Note (10) Ownership percentage change.  
Change: Note (13) FFH Reinsurance Group B.V. investment in RiverStone Holdings Limited was contributed to FFH Financial Holdings SA effective December 15, 2005.  
Correction: Note (14) Wentworth Insurance Company Limited corrected to Wentworth Insurance Company Ltd.  
Change: Note (16) United States Fire Insurance Company and Odyssey America Reinsurance Corporation redeemed their interests in Pacific Century Fund 1 on December 22, 2005.  
Add: Note (18) Purchase of interests in Dalton Greater China Fund as of November 30, 2005.  
Add: Note (19) Percentage ownership interests in Lindsey Morden Group Inc.  
Correction: Page 1, References to Note (17) added.  
Correction: Page 1, Fairfax S.a.r.l. name correction to FFHL (Luxembourg) S.à.r.l.  
Change: Page 1, FFHL (Bermuda) Limited renamed Cameron Financial Ltd. effective December 5, 2005.  
Change: Page 1, LSA Insurance Services Ltd. ownership of Mr. Insurance reduced to 38% effective December 31, 2005.  
Add: Page 2, Wynford Financial S.a.r.l. incorporated on October 11, 2005.  
Change: Page 2, Fairmont Specialty Insurance Managers is now a subsidiary of United States Fire Insurance Company.  
Change: Page 2, nSpire (Bermuda) Limited dissolved effective December 30, 2005.  
Correction: Page 2, Percentage ownership of class II non-voting shares of TRG Holding Corporation by Fairfax Inc. inserted.  
Correction: Page 3, Percentage ownership of TRG Holding Corporation by Wentworth Insurance Company Ltd. inserted.  
Correction: Page 3, NAIC and FEIN numbers for RiverStone Insurance (UK) Limited.  
Change: Page 4, Hudson Corporate Name Limited renamed Newline Insurance Limited effective December 19, 2005.  
Correction: Page 4, Reference to Note (14) added.  
Change: Page 4, Fairmont Specialty Insurance Managers is now a subsidiary of United States Fire Insurance Company.  
Add: Page 4, Clearwater Trust added to chart.